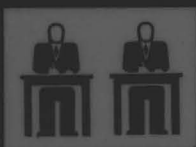
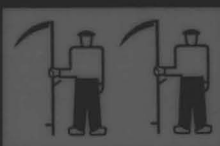


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# I

## THE MORAL NATION ILLEGITIMACY AND BRIDAL PREGNANCY IN THE NETHERLANDS FROM 1600 TO THE PRESENT\*

by

*Jan Kok*

### *1. Introduction*

In the 1970s social historians enthusiastically started to draft series on long-term trends in illegitimacy and bridal pregnancy. These series promised new insights into the mentality and behaviour of the 'anonymous, labouring masses'.<sup>1</sup> Now, the social processes influencing the individual behaviour of common people regarding love, sexuality and marriage could become visible. In comparative studies and international review articles, the Dutch experience in the history of premarital and extra-marital sexuality is conspicuously absent. This can easily be explained: until recently there have not been any figures for the pre-statistical period. Historical research on the subject only got under way in the 1980s.<sup>2</sup> In this article, I will try to evaluate recent findings on the long-term trends in the Netherlands in the context of the European history of illicit sexuality.

In the second section figures from the Netherlands will be presented and compared with international trends. It will be shown that up to the nineteenth century, Dutch developments were highly similar to the ones abroad. The Netherlands appears to have participated in the international upsurge of illegitimacy and bridal pregnancy in the period between 1750 and 1850. In the nineteenth century, however, the Netherlands started to go its own way; the percentages decreased earlier and sank to lower levels than elsewhere.

In the third section these developments will be analyzed by comparing them to other European countries. The increase in bastardy and prenuptial pregnancy in the Netherlands appears not to have had a structural character, probably because the social changes influencing sexual behaviour in many other countries were absent here.

Due to its exceedingly low incidence of illegitimate births and pregnant brides, in the twentieth century the Netherlands acquired the qualification of the 'moral nation'. Often this has been explained in terms of the specific

character of the Dutch society in the twentieth century.<sup>3</sup> I argue we should go further back in explaining Dutch 'morality'. Apart from the short period of apparent 'licentiousness' around 1800, there appears to be a remarkable continuity in the observance of rules restricting sexuality to marriage. In the fourth section the social pre-conditions for this continuity will be located.

## *2. Trends and levels: the Dutch experience in figures*

Before discussing the statistical evidence, it is useful to define several terms. With an 'illegitimate birth' is meant the birth of a child whose mother was not married at the moment of confinement. The 'illegitimacy ratio' is the percentage of illegitimate births to the total number of births. 'Bridal' or 'prenuptial' pregnancy refers to the conception of a child before marriage, but born within marriage. It is commonly assumed that a child was prenuptially conceived when it is born within less than eight full months after the wedding. The percentage of bridal pregnancies is calculated by dividing the number of prenuptially conceived children by the total number of first-born children. The procedure is, of course, rather painstaking: every marriage has to be linked to the first-born child. This is why studies on the history of bridal pregnancy in the Netherlands — and elsewhere — are even scantier than on illegitimacy.<sup>4</sup>

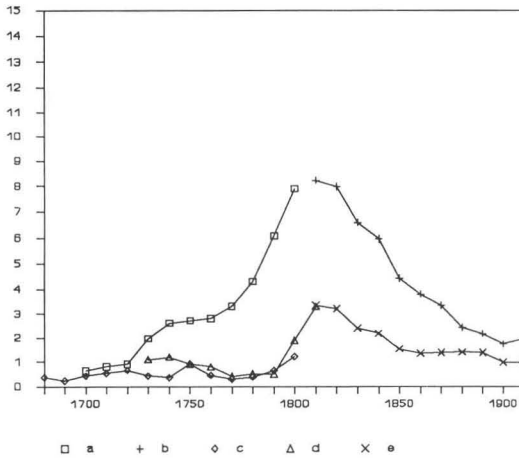
It is evident that both phenomena are closely related: a prenuptial pregnancy leads to an illegitimate birth when marriage does not intervene in time. Yet, it is important to stress the analytical difference between the two. Bridal pregnancies indicate the incidence of premarital sexuality, that is, sexuality within the context of a more or less concrete resolution to get married. But for many mothers of illegitimate children there might have been no intention to marry whatsoever, as in the case of rape or prostitution. Also, marriage might have been endlessly postponed or even rejected, as in the case of concubinage. Furthermore, recent research shows that an important number of mothers gave birth to more than one bastard. This fact has led some historians to hypothesize on the existence of 'bastardy prone sub-societies'. These are conceived of as networks of interlinked persons and families whose behaviour towards sexuality was guided by entirely different norms than those prevalent in 'normal' society.<sup>5</sup>

Taken together, illegitimacy and prenuptial pregnancy give a good impression of the extent to which the norms restricting sexuality to married couples were transgressed. But this only holds true up to the end of the nineteenth century, when the spread of modern birth-control disconnected sexuality and reproduction. Therefore, in our century, the reasons for using, or not using, modern contraceptive methods are becoming more and more crucial in understanding illegitimacy and prenuptial pregnancy, instead of the reasons for sexual abstinence or sexual licence.

*a. Illegitimate births*

There is hardly any material for the seventeenth century, but the available figures suggest that illegitimacy was extremely rare. In the villages of Barendrecht and Huizen less than one percent of the births were illegitimate.<sup>6</sup> In order to give an impression of the long-term trends, data from Holland are presented in Figure 1.

Figure 1. *Percentage of illegitimate births in urban and rural Holland, means per decade, 1680/89-1910/14.*



Notes:

- Baptisms in the Reformed Church in Rotterdam, 1707-1809.<sup>113</sup>
- Ten cities in the province of North Holland, except Amsterdam, 1812-1914.<sup>114</sup>
- Five rural communities in the northern part of Holland, 1680-1809.<sup>115</sup>
- Maasland, southern part of Holland, 1730-1819.<sup>116</sup>
- 136 rural communities in the province of North Holland, 1812-1914.<sup>117</sup>

In the eighteenth century the rural levels in Holland remained very low, two percent at the most. Data from the eastern parts of the Netherlands indicate that eighteenth-century levels were generally the same as in Holland.<sup>7</sup> In the city of Rotterdam the percentages doubled in the 1730s. This increase only accelerated after 1780, a trend which was paralleled in other cities in South Holland.<sup>8</sup> Rural areas lagged two decades behind. The highest level was reached in urban and rural areas during the period 1810-1829. When we study the yearly percentages of different places, it appears that the percentages peaked throughout the Netherlands in about 1822.<sup>9</sup>

Figure 1 not only shows that the rise in illegitimacy was rather short-lived, but also that it was above all an urban phenomenon. The percentages in the west of the Netherlands were, probably due to its cities, somewhat higher

than in other areas. But the trend, that is, the decline in the percentage of illegitimate births from 1825–1830 onwards, can be discerned everywhere, except in the Northeast (the provinces of Groningen and Drenthe) where the percentages kept on rising during the first half of the nineteenth century.<sup>10</sup>

In theory, the trends in the illegitimacy ratios can be influenced by shifts in the demographic composition of the population. The ratios can go down when the proportion of unmarried, fertile women declines, even when their propensity to have illegitimate children has not changed. A much more precise measure is the 'rate' of illegitimacy, calculated by counting the number of illegitimate births for every 1,000 unmarried women aged 15–44 (or 15–49). Only elaborate censuses can supply the necessary figures for the rate. The national rate of illegitimacy, calculated from 1840 onward, shows a continuous decline and confirms the impression of declining illegitimate fertility. In the provinces of Groningen and Drenthe, the rate did not fall until the end of the nineteenth century.<sup>11</sup>

Just before the Second World War the nadir of illegitimacy was reached (only 2.3 illegitimate births per 1,000 fertile, unmarried women). During the war the rate increased, while the years 1945/46 experienced a virtual explosion of illegitimacy. Then the rate declined to its lowest level, which was reached in 1955. In 1975 illegitimacy started a new and spectacular rise, which continues to the present day. Now, 15% of all first-born children are illegitimate. But illegitimacy has acquired an entirely different character. In the middle of the twentieth century many illegitimate births could still be seen as the unhappy results of imprudent teenage love-affairs. Presently, the Netherlands has the lowest incidence of abortions and illegitimate children among teenagers in the world. The cause of the recent upsurge in illegitimacy is the increasing tendency of cohabiting couples to have children without being married.<sup>12</sup>

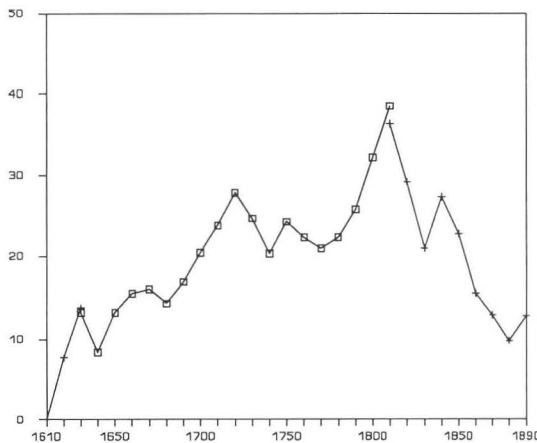
#### *b. Prenuptial pregnancies*

Long-term trends for the Netherlands are available only for a geographically restricted area: the north-western part of the country. In Figure 2 statistical evidence is presented for 12 communities located in what is now the province of North Holland.<sup>13</sup>

Compared to illegitimate births, the incidence of pregnant brides was much more frequent. The trend was, at least in the seventeenth century, quite distinct. Starting from a low level (less than 10%) in the early seventeenth century, the percentages increased to a level of 20 to 30% at the beginning of the eighteenth century. This level was maintained until a further increase took place in the decades around 1800, when 30 to 40% of the first-born children were prenuptially conceived. The percentages started to decline in the 1830s. These figures appear to adequately represent the trends in other areas of the Netherlands. The percentages of 'enforced marriages' in the community of Duiven in the eastern part of the Netherlands were higher in

the period 1731-1795 than in 1666-1730. In Maasland, in the south-west, the percentages showed the same rise during the first decades of the nineteenth century.<sup>14</sup> The marked decline in prenuptial conceptions during the nineteenth century was not limited to the one community shown in Figure 2. In nine out of thirteen other communities in the province of North Holland, the levels of prenuptial pregnancies at the end of the nineteenth century were much lower than at the beginning.<sup>15</sup> A survey of ten rural communities scattered over the Netherlands confirms that this decline had already begun in the first half of the nineteenth century, with a short interruption in the 1840s.<sup>16</sup>

Figure 2. *Percentages of prenuptially conceived first-born children in North Holland, means per decade, 1610/19-1890/99.*



Note: Before the 1630s and from the 1820s onward, the figure relates to only one community.

Throughout the nineteenth and most of the twentieth century, the trend of prenuptial pregnancy paralleled that of illegitimacy. In the first half of the twentieth century the decline continued. The percentage of prenuptial conceptions in nine communities in North Holland between 1890 and 1909 was 34.7. The national average in 1937 was 19.2%.<sup>17</sup> It is not clear to what extent this decline was interrupted during the Second World War. In the 1950s a renewed decline is visible. In 1957 the nadir of prenuptial pregnancies was reached: 17.6%, whereas in 1950 the percentage was 21.8%.<sup>18</sup> From 1957 onwards, the percentages increased again until 1970, when a steep decline set in. Contrary to illegitimacy, the percentage of marriages 'forced' by a prenuptial pregnancy remained at a very low level.<sup>19</sup>

Demographers agree that the rise in the 1960s was caused by the

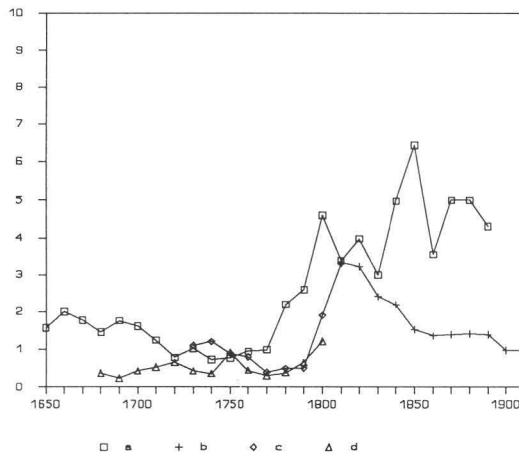
proliferation of sexual contacts between youths, while this group lagged behind in applying methods of birth-control. When, around 1970, these methods and means began to be freely distributed, the percentage of 'enforced marriages' dropped in the wake of general fertility.<sup>20</sup>

*c. Comparison with other European countries*

In comparing historical evidence, we cannot expect anything more than an incomplete impression of the relative position of the Netherlands with respect to the trends and levels in other countries. Historical data are disparate, and because of the regional differences within countries, they do not permit generalization to national levels.

Regarding illegitimacy we may conclude that the Netherlands always occupied moderate positions. In the seventeenth and eighteenth centuries, percentages of illegitimacy were low all over western and northern Europe: in England (1550-1800) between one and a half and five percent and in Sweden (1610-1750) between two and a half and six percent.<sup>21</sup> Dutch levels are even lower, but are similar to the Flemish and French countryside.<sup>22</sup> As we have seen, relatively more bastards were born in cities than in rural areas.

Figure 3. *Percentage of illegitimate births in rural Holland and rural Flanders, means per decade, 1650/59-1910/14.*



Sources: see Figure 1

Notes:

- a) Fifty rural communities in Flanders, 1650-1889.<sup>118</sup>
- b) One-hundred and thirty-six communities in the province of North Holland, 1812-1914.
- c) Maasland, 1730-1819.
- d) Five rural communities in the northern part of Holland, 1680-1809.

But the maximum values, which the Dutch cities reached around 1822 (15 to 20%), were quite modest when compared to continental cities like Paris (36.8% in 1810-19), Vienna and Stockholm (respectively 49.0% and 46.0% in 1851-55) and Prague (46.8% in 1881-99).<sup>23</sup>

As I have pointed out, the best measure of illegitimacy is the 'rate'. The rates in the Netherlands, Ireland and Greece were the lowest in Europe between 1850 and 1981. Even in 1981 the percentages in Sweden and Denmark were about eight times as high as those in the Netherlands.<sup>24</sup>

It is important to note that the decline in the Netherlands set in much earlier than elsewhere. In most European countries the figures declined from 1880 onwards,<sup>25</sup> but in the Netherlands this already occurs before 1840. This development is shown in Figure 3, where Dutch rural trends are compared with Flemish trends. Comparisons with other countries would have resulted in similar graphs.

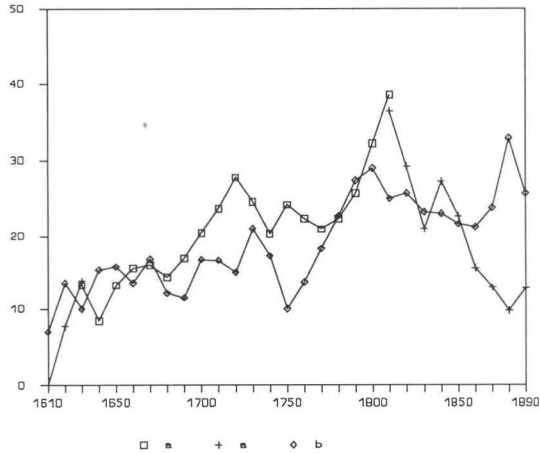
The Netherlands seems to hold a middle position in the area of prenuptial pregnancies from the seventeenth to the early nineteenth century. Very high levels were common in Scandinavia. In Sweden percentages of prenuptial pregnancies in the eighteenth and nineteenth centuries ranged from 30 to 50%.<sup>26</sup> Iceland takes a peculiar position in the international history of premarital and extra-marital sexuality. Christian ethics had never replaced the old traditions. Even among the (Lutheran) clergy in the nineteenth century, 22% of the first-born children was conceived before marriage and 15% outside of wedlock.<sup>27</sup> In England the percentages of prenuptial pregnancies were also higher than in the Netherlands. The lowest recorded levels (in the 1650s) were still about 20%.<sup>28</sup> Bavarian levels were higher than those of the Dutch until 1720, but between 1720 and 1800 they were lower.<sup>29</sup>

In France the percentages were definitely lower, at least in many areas. In the Paris basin the figures were well below 10% in the seventeenth and eighteenth centuries.<sup>30</sup> Flandrin estimates the average for the entire French countryside in the eighteenth century to be about 14%.<sup>31</sup> Also in Ireland only about 10% of the brides were pregnant around 1800.<sup>32</sup>

In the second half of the nineteenth century and in the twentieth century, the Netherlands occupied a very low position in the European rank-order of prenuptial pregnancy. In 1955 the Netherlands and Belgium had the lowest levels of Western Europe.<sup>33</sup> It is very likely that the Dutch preceded the Belgians: in Figure 4 the long-term trends of Holland and Flanders are compared.

We see a remarkable similarity between both trends until the middle of the nineteenth century, when the Dutch level dropped way below the Flemish level. In other European countries the percentages also stabilized at a higher level in the second half of the nineteenth century, or even continued to rise.<sup>34</sup> For instance, in the German village of Heuchelheim, the nineteenth-century rise culminated in 1871-80 with 66.3% prenuptial conceptions.<sup>35</sup>

Figure 4. *Prenuptial conceptions in the north of Holland and Flanders, means per decade, 1610/19-1890/99.*



- a) north of Holland, 12 villages.  
 b) Flanders, 50 villages.

To summarize the conclusions from this section, it can be said that during most of the period from 1600 to 1990, the Netherlands had, both absolutely and relatively, few illegitimate births. The rise between 1790 and 1825 was rather short-lived and occurred mainly in the cities. The decline in the illegitimacy ratio after 1825 started much earlier than in the rest of Europe, where the ratios did not fall before the 1880s. The rise which began in the 1970s seems to reflect a much more important deviation from traditional 'morality'. Prenuptial pregnancies were much more frequent than illegitimate births. But also in this respect, the Netherlands occupied a singular position in Europe from about 1825-50.

### 3. Explanations for long-term trends

The historiography on illegitimacy is mainly concerned with the international increase of the ratios in the period 1750-1850. Many case studies were written to attack — and sometimes to defend — Shorter's thesis that a 'sexual revolution' had taken place, that is, a revolutionary change in mentality. In the tangle of complex, multicausal explanations we can, however, discern an implicit agreement: a fundamental social change must have been the basic cause of the rise of illegitimacy. In traditional agrarian society sexuality and family formation were tied to unwritten, but equally inflexible rules. But this society got caught up in the process of change, with



the most far-reaching impact on its working class. The core of the debate on the 'sexual revolution' was the question how to evaluate this impact. Edward Shorter described the changed situation of the proletariat as 'emancipation', whereas his critics would emphasize its 'deprivation'.

In Shorter's explanatory model, a number of interrelated 'strategic changes' undermined traditional attitudes.<sup>36</sup> These changes were: population growth, the spread of the capitalist market economy, and urbanization. Because of population growth, the number of propertyless people increased. In the countryside the agrarian revolution created employment for a considerable number of them. Young workers, on the payrolls of modernizing agriculturalists, formed 'youth subcultures', shedding traditional inhibitions against sex and early marriage. No longer were they restrained by the necessity to wait with sex and marriage until a farm could be taken over. One of Shorter's followers describes their 'romantic' life-style lyrically: they 'revelled in the freedom to love, marry and beget, or just to love and beget'.<sup>37</sup> A large part of the redundant rural work-force found employment in the cities and their expanding industries. Here they were liberated from the traditional supervision by relatives and fellow villagers. And here they came into contact with the 'urban way of life'. Especially in the anonymous atmosphere of the city, the new 'capitalist' values of individualism and self-expression could flourish. These values implied a change in the attitude towards sexuality, because, according to Shorter, '[e]xpressiveness means a lot of sex'.<sup>38</sup> In sexual relationships, which often resulted in illegitimate births, young women 'emancipated' themselves from the bonds of the family and the village. During the nineteenth century these urban values spread throughout the countryside, as local authorities lost their powers to have young men and women abide by the rules.

Shorter's critics contested the presumed change in mentality of the proletariat. In their opinion, the wage-earners, contrary to adopting individualistic values, clung to traditional expectations regarding family formation. But the new social circumstances made these expectations far more difficult to live up to. The agrarian revolution had increased the demand for labour, but this increase in employment did not improve marriage opportunities. Because of the population growth, the wages could be kept at a minimum. Decisive was that a change had taken place in the supervision of the agrarian work force; the paternalist attitude on the side of the farmers disappeared. While saving money for their wedding, many of the workers were free to have children and live in some sort of consensual union.<sup>39</sup> Because of their greater mobility, many such relationships were broken up, and the women left behind, pregnant or already with a child.

The spread of domestic industry was also conducive to illegitimacy. Because of the dependency on the international economy, the uncertainty of earnings had increased. In these circumstances marriages had to be postponed more often. Illegitimacy among the framework knitters of Shephed,

England has been described as 'marriage frustrated'.<sup>40</sup>

The proletarians who migrated to the cities had little chance of ever getting married and finding a house of their own. Many of the workers could only rent a bed. The costs and the necessary formalities (for which they needed documents from their places of origin) kept many from contracting formal marriage. Lack of traditional social control also stimulated the decision to live in concubinage, according to many authors one of the most important reasons for the rise in illegitimacy.<sup>41</sup> Estimates for the 1840s suggest that 'at least one-third of the single marriageable population of Paris is likely to have been living in concubinage'. Parisian concubinage is described as a 'working-class habit', responsible for the city's high levels of illegitimacy.<sup>42</sup> Common-law marriages also account for the high percentages of illegitimacy in, for instance, Stockholm and Antwerp.<sup>43</sup> These consensual unions have been called a proletarian 'survival strategy'. All kinds of flexible income-pooling households sprung up in this period of insufficient wages and mobility: concubinage was a rational alternative to marriage.<sup>44</sup>

For young migrated women, working in the cities as servants or otherwise, the term 'emancipation' is most inappropriate in describing their situation. Because their wages were often insufficient to make ends meet, they could only hope to improve their lot by finding a husband to care for them. In the countryside it had been customary to start having sex after the couple had solemnly promised each other to get married. In the cities many (pregnant) girls were disappointed: their unwilling lovers could not be brought to the altar.<sup>45</sup>

For a number of reasons Shorter's explanations, as well as those of his critics, are incapable of elucidating the trends in Dutch figures of illegitimacy and prenuptial pregnancy.

In the first place, the eighteenth-century social changes which are presumed to have caused the upsurge in illegitimacy throughout Europe had already taken place in the Netherlands, or would occur later. Western Netherlands (Holland) was already quite a 'modern' society in the early seventeenth century. It had a capitalist economy dependent on trade, with a specialized and commercialized agricultural sector. And, perhaps even more important, it was one of the most urbanized areas in Europe. So if urban and capitalist values had any tendency to increase illegitimacy, we should have noticed it in Holland. But in the seventeenth and eighteenth centuries, illegitimacy was just as rare in Holland as in 'traditional' rural Europe. There was no specific demographic or economic expansion in the eighteenth century. In fact, the population in the north of Holland underwent a steady decline, due to the reduction of employment in fishing and shipping.<sup>46</sup> But in spite of these facts, Northern Holland appeared to join in the international increase in bridal pregnancies and illegitimate births. In most of the rural areas of the Netherlands there were also no marked structural changes. Even though agrarian yields and prices started to improve slowly after 1750, there

was hardly an 'agrarian revolution'.<sup>47</sup> In the eastern parts of the Netherlands, integration in the market economy came relatively late in the nineteenth century.<sup>48</sup> Here, in Groningen and Drenthe, the disruption of traditional society by the influx of underpaid and badly housed labourers might explain the continuous rise of bastardy ratios in the nineteenth century.

Secondly, there is no reason to suppose that some structural change in the position of wage labour caused the rise in illegitimacy around 1800. Because employment opportunities did not improve, the relative numbers of wage-earners did not increase. What is even more important, Dutch wage-labourers did not have a radically different attitude towards sexuality and marriage. In the first half of the nineteenth century, the incidence of premarital pregnancy among workers was not higher than among other social groups, and their age at marriage was not particularly low.<sup>49</sup>

Finally, in Shorter's theories and in those of his critics, we cannot find an explanation for the steep and early decline in illegitimacy and bridal pregnancy in the Netherlands. According to Shorter, the 'first sexual revolution' brought about a permanent change. He stresses the fact that the rates of illegitimacy and bridal pregnancy never returned to their 'traditional' levels. He states that the steep decline in extra-marital fertility in the last decades of the nineteenth century can only be attributed to the spread of modern birth-control, because it paralleled the decline of marital fertility.<sup>50</sup> But in most areas of the Netherlands, the decline in extra-marital fertility preceded the decline in marital fertility, the only exception being the countryside of the North.<sup>51</sup> According to Shorter's critics, the decline in illegitimacy occurred when material conditions and the chances of marriage of the proletariat improved in the late nineteenth century.<sup>52</sup> In the Netherlands, however, the early decline of illegitimacy was not causally related with the overall improvement in the standard of living, which did not start earlier than the second half of the nineteenth century.<sup>53</sup>

In short, explanations linking the late eighteenth and early nineteenth century rise in illegitimacy to any structural change in the social, material or mental conditions of wage workers do not correspond to developments in Dutch society or to the trends in illegitimacy. What did change in the second half of the eighteenth century was that for large groups in Dutch society, real income started to decline,<sup>54</sup> which may have worsened marriage opportunities for many. This brings us to the workings of 'traditional' society, where the number of households was adapted to economic circumstances by the mechanism of the timing and incidence of marriage.

#### *a. Marriage opportunities and economic conditions*

English demographic historians have developed the most elaborate 'cyclical' model to explain trends in illegitimacy and prenuptial pregnancy. English time-series (1550-1850) showed a remarkable pattern: the trends in illegitimate births and prenuptial pregnancies ran parallel to each other and to

general fertility, but inverse to age at marriage. In other words, when the inhibitions to early marriage were lessened, there was also more tolerance towards premarital and extra-marital sexuality. The forces regulating fertility and access to marriage were capable of controlling sex outside marriage as well.<sup>55</sup> Favourable economic conditions — especially rising wages — were a stimulus to striking up (sexual) relationships. In such periods, the ‘courtship intensity’ was high, with a normal and inevitable proportion of ‘accidents’ in the form of prenuptial pregnancies and illegitimate births, especially in those areas where tradition permitted youthful boldness in prenuptial relations. On the other hand, when access to marriage was limited, illegitimacy went down.<sup>56</sup>

This ‘courtship intensity model’ has no universal applicability. It is incapable of explaining developments in various countries on the Continent.<sup>57</sup> Thus, in Flanders the explanations run along quite different lines. According to Flemish historians, the countryside plunged into a protracted depression in the late eighteenth century, due to population growth and the division of agricultural plots. The possibilities for (early) marriage waned: age at marriage rose to a culminating point in the 1850s. These historians state that we should view the rise in illegitimacy and prenuptial pregnancy against this background. Couples increasingly postponed their marriage until the woman was pregnant, and for a growing number of them the wedding came too late, that is, the child was born illegitimate.<sup>58</sup>

According to these English and Flemish examples, the behavioral reaction to economic and demographic tensions could be quite distinct. How did the Dutch react? Most of the Dutch evidence points in the direction of the ‘Flemish scenario’. From the 1750s onwards, and more rapidly after 1795, the real income of Amsterdam artisans dropped to an unprecedented level.<sup>59</sup> The worsening economic conditions seem to have induced marriage postponement and bridal pregnancy, at least in the second half of the eighteenth century. When we compare the yearly fluctuations in real wages with those in prenuptial pregnancies, we find the highest correlation coefficient after a lag of three years ( $R = -0.47$ ).<sup>60</sup> Similarly, an analysis of illegitimate births in Rotterdam (1775–99) showed that the yearly fluctuations could be explained to a large extent by marriage postponement, caused by bad economic conditions and war.<sup>61</sup> The rise in illegitimacy in Utrecht and Amsterdam has been related to worsening marriage opportunities for these cities’ surpluses of women.<sup>62</sup> In the northern coastal area of North Holland, normal expectancies regarding marriage and family formation were probably disrupted severely in the last decades of the eighteenth century when the area’s shipping collapsed. The coastal villages showed a remarkable peak in prenuptial pregnancies in this period.<sup>63</sup> In this impoverished area illegitimacy was relatively high in the first half of the nineteenth century when compared to other rural areas.<sup>64</sup>

A substantial part of the rise in illegitimacy and prenuptial pregnancy around 1800 might be explained by a limited access to marriage. But the long-term trends seem largely impervious to such demographic explanations. In the first place, the rise in prenuptial conceptions started already in the seventeenth century, and without a concurring rise in illegitimacy. In the second place, the decline in illegitimacy and prenuptial pregnancy preceded the improvement of marriage prospects. In the Netherlands as a whole, age at marriage started to decline slowly from the 1850s onwards, whereas the frequency of marriage (number of ever-married persons per generation) only increased from the 1880s onwards.<sup>65</sup>

It is clear that we shall have to refine our model in order to gain a fuller understanding of the factors influencing sexual behaviour.

*b. The impact of religion on sexual conduct*

That religion exerted an important influence on sexual conduct in the past is not an undisputed fact. According to M. Phayer, neither reform movements like Puritanism and Jansenism, nor the churches were capable of really dominating the sexual behaviour of the 'superstitious and illiterate masses'.<sup>66</sup> He sums up three arguments to support his position. First of all, the bastardy ratios were also low in countries without Puritanist or Jansenist reformers. In the second place, it is very unlikely that the small group of adherents were able to change the demographic behaviour of the entire population. And finally, the rise in illegitimacy cannot be explained by the dechristianization of the proletariat, as some historians contend. In fact, the proletariat remained very religious until the end of the nineteenth century. To prove his statement, Phayer mentions the popular cult of the virgin Saint Philomena in France in the 1830s. The proletariat, and not in the least its unmarried mothers, were devoted to this saint. In Orleans about 33% of the babies named Philomena were illegitimate! Phayer points out that in the 'sexual revolution', the proletariat had disconnected sexuality and religion. The church failed in its attempts to restore this connection: during the nineteenth century the ratios continued to rise.

International as well as Dutch experience can be used to discard Phayer's arguments. Throughout the entire period, reform movements influenced sexual behaviour. In Scandinavia, tendencies towards a greater orthodoxy within the Lutheran Church in the seventeenth century caused a decline in illegitimately born and prenuptially conceived children. The Catholic Counter-Reformation had the same results in Bavaria.<sup>67</sup> The same goes for the nineteenth century. Regional differentiation in illegitimacy in twentieth-century Scandinavia can largely be attributed to the differential spread of Evangelical Protestantism in the nineteenth century.<sup>68</sup> The early decline of prenuptial pregnancies in the United States (already before 1800) has been related to increased church participation of young people. The values of thrift

and abstinence, functional for the aspiring bourgeoisie, fitted in neatly with religious anti-sexuality.<sup>69</sup>

In the Netherlands we can discern an almost 'cyclical' development in the intensity of religious moral concern. In the late sixteenth and the early seventeenth century, the Calvinist Reformed Church tried rather fanatically to found a theocracy in which marriage and family life would rest upon a new, moral foundation. The provincial synods were 'almost excessively occupied' with these subjects.<sup>70</sup> The civil authorities were called upon to support the fight against premarital and extra-marital sexuality. Some authorities imposed a fine on prenuptial pregnancies. But the local churches themselves were in the forefront. In the early seventeenth century, the Amsterdam Church Council devoted half of its time to matters of discipline, among which sexual misdemeanours loomed large. Sanctions against church members were the public admonition of sins and the prohibition from taking part in the Lord's Supper. A recent study of Amsterdam church records shows that after 1600, prenuptial fornicators became increasingly aware of the sinfulness of their offence.<sup>71</sup> Although bridal pregnancy was not often punished, church opinion on this matter seems to have become widely accepted. In the first half of the seventeenth century, church discipline not only rather effectively influenced the (sexual) conduct of church members (about a quarter of the population of Amsterdam), but also of other groups in society.<sup>72</sup>

Calvinist discipline could be effective, because the members of the Church Council were ordinary people, from whom — if they wished — nothing could be concealed. The loss of the democratic character of the church, the increasing social and cultural distance between the church's elders and the common believers, and the waning interest of the church authorities in matters concerning marriage and the family can explain why religious authority in these matters lost its effectiveness. This process was already visible in the second half of the seventeenth century, and might explain why prenuptial pregnancies started to increase. In the eighteenth century, church discipline was affected by new religious currents, rationalism and pietism, which emphasized the moral responsibility of the individual. Contemporaries commented on the further disruption of church discipline during the French Period (1795-1813).<sup>73</sup> In the nineteenth century the rationalist Reformed Church was not particularly concerned with re-intensifying moral control. The discontent with this 'laxity' was one of the main reasons for two major secessionist movements in 1834 and 1886.

Roman Catholics were, particularly in the second half of the nineteenth century, probably more — and more effectively — concerned with premarital sexual behaviour than most Protestants. A study on a rural area in the southern Netherlands shows how the clergy managed to associate sexuality with shame, and to repel contacts between unmarried adolescents. This resulted in a decline of prenuptial pregnancies.<sup>74</sup> In North Holland the

nineteenth-century decline in prenuptial pregnancies seems to have occurred especially in Catholic communities.<sup>75</sup>

From about 1850 onwards, the bourgeoisie was clearly becoming more solicitous about the behaviour of the lower classes, who were perceived as a threat to the political and moral order of society.<sup>76</sup> Through churches and private organizations, members of the bourgeoisie put up an effort to educate and moralize the poor. The churches tightened their grip on poor relief. By the institution of regular house-visitations, the deacons wanted to observe and control the behaviour of the recipients of relief.<sup>77</sup> The specific objective of one of the most important private societies, the Saint Vincentius Society, was to combat consensual unions. In 1865, the local department in the small city of Hoorn proudly reported to headquarters in The Hague its feat of having persuaded an elderly couple to get married. These people, who had lived together for twenty years and who had several children, were even kept separate until the joyous day.<sup>78</sup>

The effectiveness of this 'offensive' to moralize and civilize the Dutch people was reinforced by the process of 'pillarization' that came to characterize the Dutch society in the early twentieth century. Society increasingly became segmented according to religious and ideological opinions, resulting in 'vertical' associations, as opposed to more 'horizontal' ones, in which association takes place on the basis of shared economic interests. These phenomena occurred in various European countries, but hardly anywhere as pronounced as in the Netherlands. Every 'pillar' (of Protestant, Catholic, liberal or socialist signature) consisted of a virtual network of institutions and associations, which together formed 'an almost all-encompassing system of social control'.<sup>79</sup>

In the post-war years an urgent need was felt for a renewed moralization. The war (but perhaps even more, the chaotic Liberation) had brought about black marketeering, violence, sexual licence and bad habits, such as smoking and dancing. A big effort was undertaken, especially in youth movements, to redress the behaviour and attitudes of young people.<sup>80</sup> These campaigns seem to have been successful when we consider the decline in illegitimacy and bridal pregnancy in the 1950s.

Not all churches or 'pillars' were concerned with sexual discipline to the same extent. Roman Catholics emphasized the virtue of virginity, and could supervise behaviour effectively by means of the confession. As I stated earlier, the Catholic Church was successful in keeping ratios of prenuptial pregnancies low in rural areas, and even in forcing them further down. In this field the 'secessionist' (Orthodox Protestant) churches were also successful. The frequency in which 'enforced marriages' occurred among Roman Catholics and *Gereformeerden* was about half the frequency among *Hervormden* and people without religion. The same goes for illegitimate births.<sup>81</sup>

In conclusion, before 1650 and between 1850 and 1960, the churches were capable and prepared either to have their moral values regarding sexuality

internalized, or to impose effective sanctions. In the intermediate period and after the 1960s, there was much less preparedness and much less capability. When we study Figure 2, these 'waves' in religious fervour could explain a large part of the trend in prenuptial pregnancies. But, in my opinion, the religious factor does not furnish an exhaustive explanation for the sudden rise in illegitimacy around 1800. In order to understand this phenomenon, we shall have to make use of a combined model.

*c. The rise of illegitimacy around 1800: a cumulative process*

The rise of illegitimacy around 1800 can be explained in the following manner. During the eighteenth century, the internal and external checks to premarital sexuality were weakened. This might have accelerated during the French Period. In these years, economic problems frustrated many expected marriages. But the difference with earlier bleak periods was that there was now a moral basis for alternatives to abstinence and spinsterhood. These alternative options were to postpone marriage (without abstinence) until a pregnancy occurred, to live together when the costs of marriage appeared insurmountable, to comply quicker with marriage proposals in order to avoid remaining unmarried in such difficult times, and to seek refuge in prostitution. Not all social groups reacted the same. These circumstances stimulated the growth of 'bastardy prone sub-societies', of which a nucleus probably already existed. The number of mothers having more than one bastard rose quickly. In the period 1775-1850, this group of 'repeaters' was responsible for about 20 to 45% of all illegitimate births, and not only in the larger cities.<sup>82</sup> Subcultural sexual deviation is a self-generating process. The socialization within a 'bastardy-prone' family might explain why there are so many family connections between unwed mothers. For example, an elderly Utrecht couple had 6 daughters, who were all bastard-bearers and who had at least 11 children.<sup>83</sup> Such a pattern can persist for generations. Girls born within the sub-society will be stigmatized and are unable to contract a 'decent' marriage. An analysis of the social backgrounds of prostitutes suggests that many of them came from 'bastardy-prone' families.<sup>84</sup>

The phenomenon of a 'sub-society', in which prostitution and concubinage are considered normal and in which behavioral patterns are passed on to subsequent generations, explains why the rise in illegitimacy was not interrupted as soon as living conditions started to improve. In fact, illegitimacy peaked in a period (1820-25) with relatively low food prices.<sup>85</sup> It might also explain why the fluctuations in illegitimacy in the first half of the nineteenth century were not related to fluctuations in nuptiality and in age at marriage.<sup>86</sup> In short, the existence of the 'sub-society' provided a certain lag in the effect of economic circumstances upon sexual behaviour. But the sub-society increased no further, and the tolerance for 'sub-societal' behaviour would dissipate rapidly.

The rise in illegitimacy can best be seen as the result of the confluence of



two 'conjunctural' developments: deteriorating economic conditions worsened marriage prospects, and at the same time, the moral restraints against 'deviant' survival strategies were weakened. In a way, we can see the period 1790-1830 as a more or less coincidental deviation from the basic pattern of Dutch morality. We will now investigate this pattern more fully.

#### *4. Character and pre-conditions of Dutch morality*

Scholars have linked the peculiar 'decency' of the Dutch in the late nineteenth and twentieth century to the 'pillarization' which transformed the Netherlands from the late nineteenth century onwards. But, as I have shown with respect to marriage, the Dutch have practically always been very 'moral'. The twentieth-century morality cannot be explained exclusively by the process of pillarization. Instead of focusing on a 'modern' factor like pillarization, it might be more useful to look for the determinants of — relatively — low illegitimacy in the long run, that is, from 1600 onwards. The hypotheses that will be advanced are still very tentative.

In the analysis of the factors causing low illegitimacy social control occupies a crucial position. Without effective social control, it is very difficult to achieve sustained sexual abstinence in unmarried adolescents or to induce couples to marry before the birth of their child. It is generally assumed that the failure of traditional mechanism of social control is the most important variable in explaining the rise of illegitimacy.

How can we characterize the mechanism of social control in the Netherlands? In many countries with a low level of illegitimacy, the regulating system could be termed repressive. In Ireland and France, contacts between youths were restricted. In the French countryside girls were supposed to stay indoors after seven o'clock in the evening.<sup>87</sup> In Ireland unmarried mothers suffered a general and strong contempt; the shame could stigmatize families for generations. Most of them lost their jobs and were rejected by their families, and had no other options left but begging and prostitution.<sup>88</sup> This situation seems to have been the same in Russia, where the ratios of illegitimacy did not even exceed two percent in the nineteenth century.<sup>89</sup>

Social control of the behaviour of unmarried adolescents in the Netherlands functioned along quite different lines. Within the boundaries of religious and socio-economic endogamy, young people in Holland were remarkably free in their courtship.<sup>90</sup> A testimony to this freedom is the custom of nightly courtship (*nachtvrijen*) of which a number of variants existed. Young people were engaged in all kinds of nightly rituals to test each others qualities as potential spouses. In some areas these rituals could take the form of visits to the girl's bedroom, with a distinct sexual character (bundling). In the few isolated communities in North Holland where

bundling persisted until the twentieth century, ratios of prenuptial pregnancies up to 50% were normal.<sup>91</sup> As Figure 2 shows, it was quite normal that sexuality preceded the wedding, especially between 1700 and 1850. So, 'morality' in the Dutch past did not imply anti-sexuality and it did not have a repressive character. Unmarried mothers were not rejected by their families; it is common to find them living with their parents.<sup>92</sup> But it was of crucial importance to avoid the shame of bastard-bearing. A pregnant girl declared in 1792 that without being married she was constantly in danger of losing her honour 'which was worth to her more than her life and ... which sorrows her even more, when she considers that she is living in a place where persons, having lost their honour and good repute, are being utterly despised'.<sup>93</sup> This fear of becoming associated with the sub-group of honourless and despised persons was probably strongly internalized.

Effective social control was certainly stimulated by the structure of Dutch society. We shall have to distinguish here between the western part of the Netherlands, strongly urbanized and dependent on trade and industry, and the much more traditional and agricultural eastern and southern parts. For these latter parts there are very few detailed studies on sexuality and social control. It appears, however, that social control was effectuated like everywhere else in traditional Europe: the neighbourhood and peer group both took part in bringing a couple to the altar. An example comes from eighteenth-century Twente (eastern Netherlands). Here couples were allowed to spend the night in bed together, but without intercourse. A sample shows that only 2.8% of the brides were pregnant. Courtship was supervised by the peer group: a number of unmarried, young men visited the couple at night to see they did not transgress customary bounds. If the man was caught without his trousers ('*bokse*') on, he had to buy them back by paying the visitors drinking-money. This custom was called *boksenbier*. The most interesting part is that the visits of the peer group appear to have been organized by the girl — clearly because it was above all her honour that had to be safeguarded.<sup>94</sup> A change in the social structure could cause the subtle balance between freedom and social control to be disrupted, leading to a rise in illegitimacy. This has been observed around 1930 on the island of Wieringen (North Holland), where the custom of bundling took the form of 'licentiousness' because of the influx of foreign workers.<sup>95</sup>

How could social control be maintained in the urbanized and industrialized parts of the country? It is important to note that the rapid growth of Amsterdam in the early seventeenth century did not undermine the basic structure of neighbourhood life, in which the preservation of one's 'respectability' was of crucial importance. The Calvinist Church did not fight an indifferent society, on the contrary: 'by making use of this neighbourhood control, for example by asking about somebody's reputation with the neighbours in each case they heard, the Amsterdam ministers and elders exercised discipline all the more effectively'.<sup>96</sup> A family historian suggested that in Holland the neighbour-

hood was less important in controlling courtship than in the eastern Netherlands, France and England. Charivari, symbolic means of the community to enforce its unwritten laws, were conspicuously absent.<sup>97</sup> But collective actions against individuals were probably not necessary; it is likely that the internalized fear to become the subject of neighbourhood gossip sufficed.

An area that witnessed an early and extensive industrialization was the *Zaanstreek*, just to the north of Amsterdam. The expansion of the villages in which the immigrating workers were to be housed was undertaken by private entrepreneurs. The inhabitants of their 'paths' were bound by strict rules to keep the street and houses in good order. The 'path-masters', elected by and from the occupants, supervised the upkeep and reported to the annual meetings of the occupants. By and large, these 'paths' developed into very close communities, in which there was little private life. These 'path-communities' persisted well into the twentieth century.<sup>98</sup> The structure of industry in the *Zaanstreek* was probably also conducive to social control. Descriptions of the working conditions in the papermills give the impression of close relations between workers and their patrons on the basis of mutual dependency. The workers often worked on the same papermill for generations and were very attached to 'their' mill. The owner often worked along with his personnel. He needed their skill, but they needed their position, because of the low and irregular wages in the mills. The principle of 'no wind, no work' meant that workers often had to live on advances. These working and living conditions of the industrial proletariat in the *Zaanstreek* can explain why high levels of prenuptial pregnancies did not result in relatively high ratios of illegitimate births.<sup>99</sup>

When we analyze the effectiveness of social control, we must, apart from the controlling structures, pay attention to the controlled people and, in particular, to the 'population at risk'. In principle, the 'population at risk' consisted of all the unmarried and fertile women. But the international historiography indicates that we should concentrate on young working women of about 20 to 30 years old and living outside of her familiar surroundings. The working and living conditions of these female servants and workers are extremely important in understanding illegitimacy. The question is: was the 'population at risk' as described above perhaps smaller in the Netherlands than elsewhere?

It is very likely that this was the case. To start with, Dutch women were probably less active in the labour market than women elsewhere. In the nineteenth century, female labour participation, especially in urban areas, was distinctly lower than in Belgium, where many women were employed in the cloth and textile industries.<sup>100</sup> Cattle breeding, which was dominant in the western parts of the Netherlands, demanded few (female) labourers. And because the countryside was densely populated, there was often no need to move to the house of the employer. Therefore, households in Holland were

very small when compared to other areas in Europe. Only between two and seven percent of the population were live in servants.<sup>101</sup> Situations as were found in southern Germany or the Scottish Lowlands, where large groups of male and female workers were housed together on the farms causing high regional levels of illegitimacy, were rare.<sup>102</sup> In some instances we do find such housing conditions, as in the bleaching industry in the vicinity of Haarlem, resulting — as might be expected — in high ratios of illegitimacy.<sup>103</sup> In the cities of Holland there were also relatively few servants living in the houses of their employers. The percentage of households with servants never exceeded 20%.<sup>104</sup> This means that many Dutch girls continued to live with their parents until they married, or until they established a household of their own. The fact that single female households were remarkably frequent shows that this differentiated ‘modern’ economy offered enough opportunities for women to live independently.<sup>105</sup> In the impoverished city of Haarlem in the first half of the nineteenth century, about half of the city’s unmarried women (older than 26) still managed to live independently, that is, not living in as relative or servant.<sup>106</sup> As I suggested above, the high percentages of illegitimacy around 1800 could be explained by the surplus of women, for whom a marriage proposal was a way of survival. But this does not contradict the statement that *generally* the ‘population at risk’ was small in the western parts of the Netherlands.

In line with the literature, we can also extend the ‘population at risk’ to the impoverished proletariat, which in many countries responded to social and economic insecurity by contracting consensual unions. In the Netherlands, however, concubinage was extremely rare, when compared to other countries. In the cities of Utrecht and Haarlem, less than 5% of unmarried mothers lived in concubinage in the first half of the nineteenth century. In Haarlem less than 1% of unmarried women were concubines.<sup>107</sup>

How can it be explained that the Dutch tended so little towards concubinage? Legal and material conditions were probably much more favourable towards marriage of the poor than elsewhere in Europe. In Central Europe an important explanation for illegitimacy lies in the obstructions the authorities put in the way of the residence of paupers. The objective of limiting the reproduction of the poor had the side-effect of high illegitimacy.<sup>108</sup> In the Netherlands there has never been a restriction on the marriages of the poor. The pressure of pauperization was probably felt less than elsewhere in Europe.<sup>109</sup> Important in this respect is the structure of Dutch poor relief. Dutch charity seems to have been more generous than elsewhere. In the 1820s expenditures per person were three times higher than in Belgium.<sup>110</sup> It has been alleged that Dutch charity created a class of idle paupers and stimulated unemployment. But recent research shows that the main function of poor relief was to supplement the income of the many workers on the casual labour market and to guard them in this way against destitution.<sup>111</sup> This might explain why the bulk of the wage-earning

population remained culturally and morally integrated into the population at large. As a whole, the working class shared the value that a marriage should be 'decent', that is, officially contracted and without the shame of illegitimacy.

The exception proves the rule. Concubinage was a tradition among the migratory workers employed in the public works on polders, dykes, and canals. The itinerary of a huge canal that was dug in North Holland in the years 1820-24 can be traced by the high ratios of illegitimacy recorded in all the villages and cities adjoining the canal.<sup>112</sup>

### *5. Conclusion*

Judging from four centuries of statistics on illegitimacy, the Netherlands seems, indeed, to have been a 'moral' nation. But what does this morality mean? Prenuptial pregnancies were certainly not uncommon. Premarital contacts between youths were not particularly repressed. Therefore, Dutch 'morality' is not to be characterized by chastity, but instead by a generally shared wish for respectability. Securing a 'decent' marriage, that is a marriage not tainted by bastardy, was essential in order to be considered a honourable citizen.

In the years around 1800, the Netherlands appeared to stray from its moral ways and to join the international rise in bastardy and bridal pregnancy. But the illegitimacy ratios in the Netherlands declined faster and deeper than abroad. In other countries, rising illegitimacy ratios have been related to the increase and the sore plight of the proletariat. In the Netherlands there was no structural change in the position of the proletariat, and there are no signs that it deviated in morality or demographic behaviour from most of the population. The rise in illegitimacy in the Netherlands around 1800 can be explained by the coincidence of two developments: a worsening of marriage prospects, particularly of women in the cities, and the erosion of restraints to 'immoral' alternatives, such as sexuality in order to gain a husband and prostitution. The occurrence of 'bastardy prone' families and networks had a catalytic effect. By the 1830s, however, the Netherlands had largely regained its 'moral' appearance. An important factor in the continuity of 'morality' is the influence of the churches, which was particularly reinforced from the 1850s onwards. The initiatives of the churches and bourgeoisie to educate and moralize the common people was, at least partly, responsible for the singular position the Netherlands occupied in the European rank-order of 'morality.' But it would be wrong to regard these initiatives as a cultural clash. The lower classes in the Netherlands had never tended to 'licentious' behaviour, such as concubinage, which was common in so many other countries. Social control functioned effectively in the agrarian eastern parts of the country, and even in the urbanized west. And, what is of particular

importance, the group in society with the highest risks of bastardy, young women working and living away from home, appears to have been relatively small in Holland. Large groups of mobile male and female workers housed together did produce high levels of bastardy, but these instances were rare due to the small-scale structure of the Dutch industry and agriculture.

## NOTES

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1. See A.M. van der Woude, 'Introduction to part V', in: J. Dupâquier et al., eds, *Marriage and remarriage in populations of the past* (London 1981) 413-419, 415.
  2. Of particular importance are: D.J. Noordam, 'Ongehuwde moeders en onwettige kinderen in Maassluis', *Holland* 9 (1977) 165-178; D.J. Noordam, *Leven in Maasland; Een hoogontwikkelde plattelandssamenleving in de achttiende en het begin van de negentiende eeuw* (Hilversum 1986), especially 166-176; C. Boerdam, 'Ongehuwd moederschap als sociaal verschijnsel, casus: Rotterdam op het einde van de achttiende eeuw', *Tijdschrift voor Geschiedenis* 98 (1985) 157-175; P.R.D. Stokvis, 'Onwettige geboorten in Nederland, Den Haag in het bijzonder. Een kwestie van conjunctuur of mentaliteit?' *De negentiende eeuw* 10 (1986) 164-194; H. Sterk, 'Buitenechtelijke geboorten in Utrecht 1775-1825; Een historisch-demografisch onderzoek', *Tijdschrift voor Sociale Geschiedenis* 13 (1987) 1-32; J. Kok & J. Koster, 'In onegt geteeld'. Ontwikkeling en regionale verscheidenheid van onwettige geboorten op het platteland en in de kleine steden van Noord-Holland, 1812-1850', *Tijdschrift voor Sociale Geschiedenis* 13 (1987) 272-308.
  3. E.W. Hofstee, *Korte demografische geschiedenis van Nederland van 1800 tot heden* (Haarlem 1981) 58-60; J.L. van Zanden & R.T. Griffiths, *Economische geschiedenis van Nederland in de 20e eeuw* (Utrecht 1989) 12-14.
  4. Some important articles are: P.E.H. Hair, 'Bridal pregnancy in rural England in earlier centuries', *Population studies* 20 (1966) 233-243; P.E.H. Hair, 'Bridal pregnancy in earlier rural England further examined', *Population studies* 24 (1970) 59-70; D.S. Smith and M.S. Hindus, 'Premarital pregnancy in America 1640-1971; An overview and interpretation', *Journal of Interdisciplinary History* 5 (1975) 537-570; P. Caspard, 'Conceptions prénuptiales et développement du capitalisme dans la Principauté de Neuchâtel (1678-1820)', *Annales E.S.C.* 29 (1974) 989-1008. For the Netherlands, see: Th.L.M. Engelen & M.M. Meyer, 'Gedwongen huwelijken op het Nederlandse platteland 1812-1862', *AAG Bijdragen* 22 (1979) 190-211; J. Kok, 'Voorechtelijke verwekkingen in Noord-Holland in de negentiende eeuw', *Bevolking en Gezin* (1989) I, 49-81.
  5. See P. Laslett, 'The bastardy prone sub-society', in: P. Laslett et al., eds, *Bastardy and its comparative history; Studies in the history of illegitimacy and marital nonconformism in Britain, France, Germany, Sweden, North America, Jamaica and Japan* (London 1980) 217-248.
  6. The seventeenth-century figure for Barendrecht is mentioned in: D.J. Noordam, 'Lust, last en plezier; Vier eeuwen seksualiteit in Nederland', in: R.E. Kistemaker,

- ed., *Een kind onder het hart; Verloskunde, volksgeloof, gezin, seksualiteit en moraal vroeger en nu* (Amsterdam 1987) 127-170, in particular 137. For Huizen baptismal records of the Reformed Church (1675-1699) are used; State archive [= Rijksarchief] at Haarlem.
7. Duiven (Roman Catholics) 1666-1730 1.9% and in 1732-1795 1.5%; Borne (RC) in 1731-1750 0.4% and in 1789-1808 0.2%, Protestant respectively 0.4 and 3.0%; Ootmarsum (RC) in 1706-1725 0.8% and in 1775-1794 0.6%, Protestant in 1706-1725 3.7% and in 1765-1784 0%; Enschede (Prot.) in 1723-1742 0.6% and in 1775-1794 0.8%; A.J. Schuurman, 'De bevolking van Duiven 1665-1795; Een historisch-demografische studie', *AAG Bijdragen* 22 (1979) 138-189, in particular 166; F. Koorn, 'Illegitimiteit en eergevoel; Ongehuwde moeders in Twente in de achttiende eeuw', *Jaarboek voor vrouwengeschiedenis* 8 (1987) 74-98, in particular 87.
  8. The figures for Delft and Leiden (1770-1809) are presented in: D.J. Noordam, 'Zedeloos Nederland? Seksuele losbandigheid rond 1800; Visies, remedies, realiteit', in: G. Hekma & H. Roodenburg, eds, *Soete minne en helsche boosheit; Seksuele voorstellingen in Nederland 1300-1850* (Nijmegen 1988) 197-209, in particular 206.
  9. Kok & Koster, 'In onegt', 275; E. de Boer, 'De kans op een beter bestaan; De groei van de bevolking van Arnhem sinds 1815', *Gelre, Bijdragen en Mededelingen* 74 (1983) 132-155, in particular 134; Sterk, 'Buitenechtelijke geboorten in Utrecht', 4,31; K.J.G.M. Vermunt, 'Buitenechtelijke geboorten; Een sociaal-statistische beschrijving van het verschijnsel te Breda gedurende de negentiende eeuw', in: H.F.J.M. van den Eerenbeemt, ed., *Aspecten van het sociale leven in Breda na 1850* (Tilburg 1965) 166-176, in particular 169.
  10. E.W. Hofstee, *De demografische ontwikkeling van Nederland in de eerste helft van de negentiende eeuw; Een historisch-demografische en sociologische studie* (s.l. 1978) 78, 79.
  11. Central Bureau of Statistics, *Buitenechtelijke geboorte 1840-1973* (The Hague 1975) 15, 19, 23.
  12. Central Bureau of Statistics, *Maandstatistiek van de bevolking* 37 (1989) XII, 20; P. van den Akker, 'Buitenechtelijke vruchtbaarheid; Nieuwe variaties op een oud thema', *Demo* 5 (1989) 9, 65-69, 67.
  13. These communities are: Assendelft, Koog aan de Zaan, Krommenie, Oostzaan, Westzaan, Wormerveer, Zaanadam-West, Callantsoog, Petten, Texel, Winkel en Zijpe. The absolute number of first-born children linked to marriages is 7760. From 1640/49 to 1810/19 the absolute number per decade is at least 100. For the calculation of the percentage of prenuptial conceptions were used indexes on marriage and baptismal records, made by genealogists. These indexes can be found in the State archive [= Rijksarchief] at Haarlem and the Provincial archive [= Streekarchief] at Zaanstad. For Texel use was made of: M.D. Dijt & J.S.M. Dijt, *Texelse geslachten; Parentelen van de families Koning-Keyser, Vlaming en Bakker* (Haarlem 1977) and *Texelse geslachten; II. Encyclopedie van Texelse familienamen; Parentelen van de families Dijt-Verberne-Zijm* (Haarlem 1973).
  14. The calculation of 'forced marriages' differs from that of prenuptial conceptions in that the number of marriages is taken as the denominator. Because always a certain number of marriages will be sterile, the percentage of forced marriages will be slightly lower than that of 'prenuptial conceptions'. In Duiven the percentage of forced marriages was in 1666-1730 14,3, in 1731-1795 19.8%;

Schuurman, 'De bevolking van Duiven', 165. In Maasland about 27-28% of the brides were pregnant; Noordam, *Leven in Maasland*, 162.

15. The percentages of prenuptially conceived first-born children and the absolute numbers of first-born children were:

	A %	N	B %	N
1 Wieringen	49.1	171	35.0	157
2 Huizen	47.3	112	52.5	180
3 De Rijp	39.4	94	17.0	47
4 Weesperkarspel	37.0	81	25.0	68
5 Barsingerhorn	34.8	138	31.3	48
6 Marken	25.0	80	34.6	107
7 Hoogkarspel	19.5	82	8.1	62
8 Haarlem	42.0	188	32.0	82
9 Zaandam	31.5	130	32.0	97
10 Naarden	32.1	159	24.8	250
11 Laren	11.0	38	5.0	57
12 Heemstede	29.0	72	10.0	68
13 Westzaan	31.0	49	22.0	55

Sources: J. Kok, 'Voorechtelijke verwekkingen', 53. For communities 1-9, A is 1815-1834, B is 1890-1909; N. Roesel, 'De bevolking van Naarden 1825-1899; Een historisch-demografische studie' (unpublished M.A. thesis University of Amsterdam, 1987). For community 10, A is 1820-1839, B is 1880-1899; H. Floor et al., 'Archiefonderzoek naar het verband tussen gedwongen huwelijk en denominatie in Noord-Holland aan het begin en het eind van de negentiende eeuw' (unpublished, s.a. 1979). For communities 11-13, A is 1838-1840, B is 1888-1890.

16. Engelen & Meyer, 'Gedwongen huwelijken', 216, 219.
17. *Statistiek van den loop der bevolking van Nederland 1937* (The Hague 1938) 51. This percentage refers to births within six completed months of marriage.
18. Central Bureau of Statistics, *De geboorte van het eerste kind* (The Hague 1974) 16.
19. Van den Akker, 'Buitenechtelijke vruchtbaarheid', 67.
20. Van den Akker, 'Buitenechtelijke vruchtbaarheid', 66; C.J. Cramwinckel-Weeda, *Het gedwongen huwelijk in Nederland; Een voortgezette analyse* (Wageningen 1975) 17; Central Bureau of Statistics, *De geboorte van het eerste kind*, 10.
21. Laslett, 'Introduction; Comparing illegitimacy over time and between cultures', in: Laslett, *Bastardy*, 1-65, in particular 24; D. Gaunt, 'Illegitimacy in seventeenth- and eighteenth-century east-Sweden', in: Laslett, *Bastardy*, 313-324, in particular 321.
22. C. Vandenbroeke, 'Het seksueel gedrag der jongeren in Vlaanderen sinds de late 16e eeuw', *Bijdragen tot de Geschiedenis* 62 (1979) 193-230, in particular 209; Y. Blayo, 'Illegitimate births in France from 1740 to 1829 and in the 1960s', in: Laslett, *Bastardy*, 278-283, in particular 278.
23. Blayo, 'Illegitimate births in France', 282; M.R. Matovic, 'Illegitimacy and marriage in Stockholm in the nineteenth century', in: Laslett, *Bastardy*, 336-345, in particular 336; P.Horská, 'Fécondité illégitime et marché matrimonial dans les



- pays tschèques du dix-septième au vingtième siècle', in: Dupâquier, *Marriage*, 453-459, in particular 456.
24. E. Shorter *et al.*, 'The decline of non-marital fertility in Europe 1880-1940', *Population Studies* 25 (1971) 375-395, in particular 377, W.B.M. Faessen, 'Buitenechtelijke vruchtbaarheid in Nederland, 1950-1981', *Maandstatistiek van de bevolking* [published by Central Bureau of Statistics] (1983) 21-34, in particular 22.
  25. Shorter, 'The decline', 375.
  26. S. Sogner 'Illegitimacy in old rural society', in: S. Åkerman *et al.*, *Chance and change; Social and economic studies in historical demography in the Baltic Area* (Odense 1978) 61-68, in particular 64; A.S. Kålvemark, 'Illegitimacy and marriage in three Swedish parishes in the nineteenth century', in: Laslett, *Bastardy*, 327-335, in particular 329, 334.
  27. R. Tomasson, 'Premarital sexual permissiveness and illegitimacy in the Nordic countries', *Comparative Studies in Society and History* 18 (1976) 252-270, in particular 261.
  28. Laslett, 'Introduction', 24.
  29. R. Beck, 'Illegitimität und voreheliche Sexualität auf dem Land; Unterfinningen 1671-1770', in: R. von Duelsen, ed., *Kultur der einfachen Leute; Bayerisches Volksleben von 16. bis zum 19. Jahrhundert* (München 1983) 112-150, in particular 122.
  30. J. Dupâquier, *La population rurale du Bassin Parisien à l'époque de Louis XIV* (Paris 1979) 368-370.
  31. J.-L. Flandrin, *Les amours paysannes, XVI-XIX siècles* (Paris 1975) 178.
  32. S.J. Connolly, 'Illegitimacy and pre-nuptial pregnancy in Ireland before 1864: the evidence of some Catholic parish registers', *Irish Economic and Social History* 6 (1979) 5-23, in particular 18-20.
  33. F. Prioux-Marchal, 'Les conceptions pré-nuptiales en Europe occidentale depuis 1955', *Population* (1974) 61-88, in particular 63.
  34. E. Shorter, *The making of the modern family* (New York 1977, first edition 1975) 108, 333, 334.
  35. A.E. Imhof, 'Die Illegitimität in Giessen und Umgebung', in: A.E. Imhof, ed., *Historische Demographie als Sozialgeschichte; Giessen und Umgebung von 17. zum 19. Jahrhundert* (Darmstadt-Marburg 1975) 517-558, in particular 548.
  36. E. Shorter, 'Sexual change and illegitimacy; The European experience', in: R. Bezucha, ed., *Modern European social history* (Lexington/Toronto 1972) 231-269, in particular 244 ff.
  37. J.M. Phayer, *Sexual liberation and religion in nineteenth century Europe* (London 1977) 63.
  38. E. Shorter, 'Illegitimacy, sexual revolution and social change in modern Europe', *Journal of interdisciplinary history* 2 (1971) 237-272, in particular 242.
  39. M. Mitterauer, *Ledige Mütter; Zur Geschichte illegitimer Geburten in Europa* (München 1983) 95, 96.
  40. D. Levine, *Family formation in an age of nascent capitalism* (London 1977) 139 ff.
  41. Mitterauer, *Ledige Mütter*, 103.
  42. J. Kaplow, 'Concubinage and the working class in early XIXth century Paris', in: E. Hinrichs *et al.*, eds, *Vom Ancien Régime zur französischen Revolution: Forschungen und Perspektiven* (Göttingen 1978) 349-373, in particular 352-354.

43. Matovic, 'Illegitimacy and marriage in Stockholm', 316; C. Lis, *Social change and the labouring poor; Antwerp 1770-1860* (New Haven/London 1986) 146.
44. C. Lis, 'Gezinsvorming en vrouwenarbeid tijdens een versnellingsfase in de ontwikkeling van het kapitalisme', *Tijdschrift voor Sociale Geschiedenis* 19 (1984) 380-405, in particular 391.
45. L. Tilly et al., 'Women's work and European fertility patterns', *Journal of Interdisciplinary History* 6 (1976) 447-476, in particular 463 ff.
46. A.M. van der Woude, *Het Noorderkwartier; Een regionaal-historisch onderzoek in de demografische en economische geschiedenis van de late middeleeuwen tot het begin van de negentiende eeuw* (Wageningen 1972) 456, 457, 609, 610.
47. H.K. Roessingh, 'Landbouw in de Noordelijke Nederlanden 1650-1815', in: *Algemene Geschiedenis der Nederlanden VIII* (Bussum 1979) 66 ff.
48. H.A. Diederiks et al., *Van agrarische samenleving naar verzorgingsstaat; De modernisering van West-Europa sinds de vijftiende eeuw* (Groningen 1987) 34-36.
49. Kok, 'Voorechtelijke verwekkingen', 57, 64 ; D.J. Noordam, 'Volmaakt geluk? Vier eeuwen huwelijk en gezin in Nederland', in: Kistemaker, *Een kind onder het hart*, 85-126, 114.
50. Shorter, *The making*, 109; Shorter, 'The decline', 382, 392.
51. F.W.A. van Poppel, 'Stad en platteland in demografisch perspectief; De Nederlandse situatie in de periode 1850-1960', *Holland* 17 (1985) 161-180, in particular 171-174.
52. Mitterauer, *Ledige Mütter*, 107, 108.
53. J.M.M. de Meere, *Economische ontwikkeling en levensstandaard in Nederland in de eerste helft van de negentiende eeuw* (The Hague 1982) 113.
54. J.A. Faber, 'The economic decline of the Dutch Republic in the second half of the eighteenth century and the international terms of trade', in: W.G. Heeres et al., eds, *From Dunkirk to Danzig; Shipping and trade in the North Sea and the Baltic, 1350-1850; Essays in honour of J.A. Faber* (Hilversum 1988) 107-115, in particular 113.
55. E.A. Wrigley, 'Marriage, fertility and population growth in eighteenth century England', in: R.B. Outhwaite, ed., *Marriage and society; Studies in the social history of marriage* (London 1981) 137-185, in particular 146.
56. Laslett, 'Introduction', 53-59.
57. Laslett, 'Introduction', 54; Wrigley, 'Marriage, fertility and population growth', 176-180.
58. M.C. Gyssels, 'Het voorechtelijk seksueel gedrag in Vlaanderen, 1700-1880', *Tijdschrift voor Sociale Geschiedenis* 10 (1984) 71-104, in particular 80; C. Vandenbroecke, *Vrijen en trouwen van de middeleeuwen tot heden; Seks, liefde en huwelijk in historisch perspectief* (Brussels/Amsterdam 1986) 203, 204.
59. Source: index of real wages (1500-1907) in: H. Nusteling, *Welvaart en werkgelegenheid in Amsterdam 1540-1860; Een relaas over demografie, economie en sociale politiek van een wereldstad* (Amsterdam/Dieren 1985) 263-265.
60. For the period 1750-1810; in the earlier period no significant relationship was found.
61. Boerdam, 'Ongehuwd moederschap', 173-174.
62. Sterk, 'Buitenechtelijke geboorten in Utrecht', 21, 22; H.A. Diederiks, *Een stad in verval; Amsterdam omstreeks 1800; Demografisch, economisch, ruimtelijk* (Amsterdam 1982) 68, 69.
63. In the two decades 1790-1809 the percentages of prenuptial pregnancy in the

- coastal villages of Callantsoog and Petten were respectively 45.2% and 49.0%.
64. Kok & Koster, 'In onegt', 289.
  65. G.A.B. Frinking & F.W.A. van Poppel, *Een sociaal-demografische analyse van de huwelijksluiting in Nederland* (The Hague 1978) 15; G.A.B. Frinking & F.W.A. van Poppel, 'Huwelijksluiting in Nederland', in: C.J.M. Corver et al., eds, *Gezin en samenleving* (Assen/Amsterdam 1978) 35-49, in particular 37.
  66. J.M. Phayer, 'Subcommunal bastardy and regional religion; Micro and macro aspects of the debate on the sexual revolution', *Journal of Sex Research* 17 (1981) 204-223, in particular 213 ff.
  67. Gaunt, 'Illegitimacy', 313, 321-322; Beck, 'Illegitimität', 125 ff.
  68. Tomasson, 'Premarital sexual permissiveness', 268.
  69. Smith & Hindus, 'Premarital pregnancy in America', 550-553.
  70. D. Haks, *Huwelijk en gezin in Holland in de 17de en 18de eeuw; Processtukken en moralisten over aspecten van het laat 17de- en 18de-eeuwse gezinsleven* (Utrecht 1985, first edition in 1982) 229.
  71. H. Roodenburg, *Onder censuur; De kerkelijke tucht in de gereformeerde gemeente van Amsterdam, 1578-1700* (Hilversum 1990) 241.
  72. R.B. Evenhuis, *Ook dat was Amsterdam; II. De kerk der hervorming in de tweede helft van de zeventiende eeuw: nabloei en inzinking* (Amsterdam 1967) 87, 165; Roodenburg, *Onder censuur*, 388.
  73. P.R.D. Stokvis, *De wording van modern Den Haag; De stad en haar bevolking van de Franse Tijd tot de Eerste Wereldoorlog* (Zwolle 1987) 187, 188, 190, 191.
  74. P. Meurkens, *Sociale verandering in het oude Kempenland; Demografie, economie en cultuur van een preindustriële samenleving (1840-1910)* (Nijmegen 1985) 152-159.
  75. See note 15 above. The rural communities where the percentages remained at the same level or even rose during the nineteenth century were entirely Protestant: Marken, Huizen and Barsingerhorn. Three out of the four communities where the percentages declined most drastically (Laren, Heemstede, Hoogkarspel and De Rijp) were predominantly Catholic.
  76. H. Righart, 'Moraliseringsoffensief in de Nederlanden in de periode 1850-1880', in: H. Peeters, eds, *Vijf eeuwen gezinsleven; Liefde, huwelijk en opvoeding in Nederland* (Nijmegen 1988) 194-208.
  77. For some local examples, see: P.A.C. Douwes, *Armenkerk; De Hervormde diaconie te Rotterdam in de negentiende eeuw* (Schiedam 1977) 106, 107; J.M.M. Leenders, 'De armenzorg te Hoorn 1840-1870; Een vergelijking', *Westfrieslands Oud en Nieuw* 55 (1988) 56-83, especially 63-70.
  78. Leenders, 'De armenzorg te Hoorn', 78.
  79. C.A. Davids, J. Lucassen & J.L. van Zanden, *De Nederlandse geschiedenis als afwijking van het algemeen menselijk patroon; Een aanzet tot een programma van samenwerking* (Amsterdam 1988) 11.
  80. See the articles in H. Galesloot & M. Schrevel, eds, *In fatsoen hersteld; Zedelijkheid en wederopbouw na de oorlog* (Amsterdam 1987).
  81. In the secessionist Gereformeerde Kerk puritan, Calvinist dogmas were revived. The Hervormde Kerk, on the other hand, contained a majority of liberal and rationalist protestants, and a minority of pietists. For the statistical data, see: J. Godefroy & C. Thoen, 'Criminaliteit en moraliteit onder katholieken', *Sociaal Kompas* (1953) [July/August] 1-12, in particular 6; T.E.J. Wagenaar-Hardon,

- 'Buitenechtelijke geboorten in feiten en veronderstellingen', *Sociale Wetenschappen* 11 (1968) III, 268-288, in particular 275.
82. An estimated 20% in Maasland and Rotterdam; Noordam, *Maasland*, 173, Boerdam, 'Ongehuwd', 162; 30.3% in Maasluis; Noordam, 'Ongehuwde', 170; 38% in Utrecht; Sterk, 'Buitenechtelijke geboorten in Utrecht', 14; and 43.6% in Alkmaar; Kok & Koster, 'In onegt', 282.
83. Sterk, 'Buitenechtelijke geboorten in Utrecht', 19.
84. A.M.I. Huitzing, *Betaalde liefde; Prostituees in Nederland 1850-1900* (Bergen 1983) 89, 38.
85. De Meere, *Economische ontwikkeling*, 77-80.
86. Kok & Koster, 'In onegt', 275, 276.
87. A. Fine, 'Enfant et normes familiales', in: J. Dupâquier, ed., *Histoire de la population Francaise; III. De 1789 à 1914* (Paris 1988) 436-463, in particular 439.
88. K.H. Connell, 'Illegitimacy before the famine', in: K.H. Connell, *Irish peasant society; Four historical essays* (Oxford 1968) 113-161, in particular 152.
89. H. Palli, 'Illegitimacy and remarriage in Estonia during the eighteenth century', in: Dupâquier, *Marriage*, 473-479, in particular 475.
90. Haks, *Huwelijk*, 140, 224, Noordam, 'Volmaakt geluk', 102.
91. Kok, 'Voorechtelijke verwekkingen', 53, 71.
92. F. de Haan & D. Stam, *Jonge dochters en oude vrijsters; Ongehuwde vrouwen in Haarlem in de eerste helft van de negentiende eeuw* (Haarlem 1985) 132; Sterk, 'Buitenechtelijke geboorten in Utrecht', 12.
93. Haks, *Huwelijk*, 67.
94. Koorn, 'Illegitimiteit en eergevoel', 87, 89-92.
95. Kok, 'Voorechtelijke verwekkingen', 71, 72.
96. Roodenburg, *Onder censuur*, 422.
97. Haks, *Huwelijk*, 64, 67-69.
98. A. van Braam, *Bloei en verval van het economisch-sociale leven aan de Zaan in de 17de en 18de eeuw* (Wormerveer 1944) 108.
99. Kok & Koster, 'In onegt', 295, 296.
100. P.M.M. Klep, 'Female labour in the Netherlands and Belgium, 1846-1910', in: E. Boserup, ed., *Female labour before, during and after the Industrial Revolution; Eighth International Economic History Congress* (Budapest 1982) 22-31, in particular 27.
101. A.M. van der Woude, 'Demografische ontwikkeling van de Noordelijke Nederlanden', in: *Algemene Geschiedenis der Nederlanden V* (Bussum 1980) 102-168, in particular 158.
102. See T.C. Smout, 'Aspects of sexual behaviour in nineteenth century Scotland', in: Laslett, *Bastardy*, 192-216, in particular 201, 202; Mitterauer, *Ledige Mütter*, 95.
103. Kok & Koster, 'In onegt', 294.
104. Haks, *Huwelijk*, 167.
105. Van der Woude, 'Demografische ontwikkeling', 165; Noordam, 'Volmaakt geluk', 106.
106. De Haan & Stam, *Jonge dochters*, 180, 181.
107. Sterk, 'Buitenechtelijke geboorten in Utrecht', 12; De Haan & Stam, *Jonge dochters*, 130, 131. See also: Noordam, *Maasland*, 84.
108. A. Kraus, 'Antizipierte Ehesegen' im 19. Jahrhundert; Zur Beurteilung der Illegitimität unter sozialgeschichtlichen Aspekten', *Vierteljahrschrift für Sozial-*

- und Wirtschaftsgeschichte* 66 (1979) 174-215, in particular 183-188, 194-195.
109. Diederiks, *Van agrarische*, 172.
110. J. Mokyr, *Industrialization in the Low Countries, 1795-1850* (New Haven 1976) 196.
111. M.H.D. van Leeuwen & F. Smits, 'Bedeling en arbeidsmarkt in Amsterdam in de eerste helft van de negentiende eeuw', *Tijdschrift voor Sociale Geschiedenis* 13 (1987) 431-457, in particular 448, 449.
112. Kok & Koster, 'In onegt', 294, 295.
113. G.J. Mentink & A.M. van der Woude, *De demografische ontwikkeling te Rotterdam en Cool in de 17e en 18e eeuw; Een methodisch en analyserend onderzoek van de retroacta van de burgerlijke stand van Rotterdam en Cool* (Rotterdam 1965) 103-106, 118.
114. The figures for Amsterdam between 1812 and 1839 are unreliable. The cities included in the graph are: Alkmaar, Edam, Enkhuizen, Haarlem, Den Helder, Hilversum, Hoorn, Medemblik, Purmerend, and Zaandam. Sources: birth records (1812-1854), *Verslag van den toestand der provincie Noord-Holland gedaan aan de provinciale staten van dat gewest door de gedeputeerde staten* (1855-1902) and *Bijdragen tot de Statistiek van Nederland. Nieuwe volgrees. Statistiek van den loop der bevolking in Nederland* (The Hague) for 1903-1914.
115. Petten, Protestants 1680-1809; Huizen, Protestants 1680-1809; Assendelft, Catholics 1680-1684 and 1696-1809 and Protestants 1730-1809; Westzaan, Protestants 1680-1809; Hippolytushoef and Westerland, Protestants 1750-1809. Baptismal records at State archive at Haarlem.
116. Noordam, *Maasland*, 167.
117. Source: see note 114.
118. Vandenbroecke, 'Het seksueel gedrag', 209.



## II

### WHY WORK FOR WAGES? FREE LABOUR IN JAVA, 1600-1900\*

by

*Peter Boomgaard*

It is a commonly held notion in the historiography on Java that 'free' labour hardly existed before 1880.<sup>1</sup> Writers of such diverse backgrounds and interests as Jan Breman, Bob Elson, Tony Reid and Fridjof Tichelman can be quoted as recent protagonists of the view that before about 1880 labour outside the subsistence sphere was always bonded, either as slave or corvee labour. In this article, I want to take issue with this notion. I will also attempt to find a possible explanation for the tenacity of this erroneous conception.<sup>2</sup>

My research for the period 1600 to 1780 is largely based on printed primary sources and secondary literature. I cannot claim to have seen all of the available printed sources, let alone the unpublished ones. This article, therefore, should be regarded as a preliminary investigation as regards this period. I am more familiar with the years between 1780 and 1880, for which I have done archival research in addition to the reading the printed sources and secondary literature.

#### *1. Slavery versus corvee labour (1600-1650)*

Java was already a heavily populated country around 1600, and in all probability, given the low rates of population growth that may be assumed for that period, had been so for ages. That it was densely populated in earlier periods is confirmed by European travellers such as friar Odoric of Pordenone (c. 1322) and Tomé Pires (c. 1515).<sup>3</sup> As we usually associate slavery with low population density, the prominence of slavery in some parts of Java around 1600 is somewhat unexpected.<sup>4</sup>

It seems, however, that it was largely restricted to urban areas, predominantly to the ports of trade on Java's north coast.<sup>5</sup> It should be partly associated with the presence of foreign merchants (Indians, Malays, and Chinese) who were accustomed to take along their own slaves when they

decided to settle in a certain city, as was also the case in other important Southeast Asian centres of commerce such as Malacca, Aceh and Makassar. That kind of slavery is not difficult to understand, given the fact that in these predominantly agricultural societies foreigners would have difficulties in recruiting sufficient local labour. There was no pool of proletarianized labour, because a favourable man/land ratio and fertile soil kept the peasantry on the land.

In part, however, the local aristocracy, often including the ruler, was also responsible for the presence of large numbers of slaves. This is less easily explained, as all Southeast Asian rulers and nobles supposedly always had large numbers of corveable peasants at their disposal. As our knowledge of Southeast Asian courts depends partly on reports from European observers, we cannot always be assured that the term slave found in their writings refers to people who could be bought and sold, the hallmark of slavery. Even indigenous sources are not always entirely clear on this point; the term *abdi dalam*, literally slave of the palace or the ruler, often means no more than servant or dependant of the ruler, or even tenant on royal domains. However, at least in the case of Banten (Western Java) around 1600, the references are sufficiently explicit to enable us to regard the retainers of the nobility and the ruler as real slaves. Willem Lodewyckz, visiting Banten in 1596, describes the slaves as '*eyghen ghecochte knechten*', literally 'own-bought servants' which is as explicit as one can get.<sup>6</sup>

So, if we may assume that at least the ruler of Banten and his aristocracy — we are much less well-informed about the inland courts and the other coastal towns of Java — did indeed have large numbers of slaves, we still have to explain why they did not use the statute labour of their peasantry. I can think of several reasons.

In the first place, historians may have overestimated the ability of the ruling class in the ports of trade to mobilize sufficient numbers of peasants on a year-round basis. We do know that the rulers of Mataram (Central Java) were often able to recruit large numbers of peasants for prolonged periods of time for large-scale construction activities. We also know that most Mataram wars in the seventeenth and eighteenth centuries were fought by armies recruited in *levées en masse* from the peasantry. Mataram, however, was an agrarian 'empire' and not a port of trade, such as Banten, Sunda Kelapa/Jayakarta (later Batavia), Tuban, Gresik and Jortan around 1600. It looks as if the coastal rulers (often indicated with the term Muslim or Malay Sultanates when reference is made to the whole of Southeast Asia) did not have much power in their agrarian hinterlands, and could therefore not attract sufficient statute labour.<sup>7</sup>

This notion is supported by an interesting remark made by Willem Lodewyckz. In his description of Banten, he mentions slaves working on the 'manorial' domains ('*erfgoederen*') of the nobility.<sup>8</sup> This is a curious remark for several reasons. First, Java, as a rule, did not know the feudal-cum-manorial



system. Following Max Weber, we could characterize the system that was typical for Java as 'prebendal': rulers assigned the rights to levy taxes and demand corvee labour from a certain village or area to someone at his court, but such rights were not hereditary and the area was not exploited as a manor. Banten was the only area (except, perhaps, the neighbouring Priangan) where even in the nineteenth century vestiges of a feudal-cum-manorial system still could be found.<sup>9</sup> Second, slaves in agriculture were rather rare even in Southeast Asia, although a parallel could be found in Makassar (Sulawesi) and perhaps in Aceh (Sumatra). Around these three cities the rulers and their aristocracy seem to have had domains worked by their own people dedicated to the production of rice. The sultans of Banten constructed large-scale irrigation works for their rice-fields in the 1630s and 1670s.<sup>10</sup> It is, perhaps, not entirely a coincidence that, in a sea of 'prebendal' relationships, these 'proto-capitalist' commercial centres developed in their hinterlands something akin to a manorial-cum-feudal system. Areas, moreover, which as an exception to the rule may have developed large-scale rice cultivation, however short-lived.<sup>11</sup> However that may be, the port of trade rulers apparently could not rely on their rural population to produce enough rice for export or even to feed the city dwellers, a problem that the rulers of the agrarian inland states (Majapahit, Mataram) did not have to face. Slaves, therefore, had to be used even in agriculture.<sup>12</sup>

Another explanation for the use of slave-labour by port of trade rulers and their aristocracy may have been their wish not to be outdone by the foreign merchants. A large number of slaves was evidently an important status symbol, and, in the absence of imposing palaces built of brick or stone, the clearest measure of wealth. They were, at the same time, a considerable burden on their noble owners. The Englishman Edmund Scott, an astute observer of all things Bantenese around 1603/4, gave as his considered opinion that the aristocracy had 'many slaves but little to maintaine them', and that all their wealth consisted of their slaves.<sup>13</sup> It might well be that investing in slaves is a much less plausible road to Capitalism than investing in buildings.

Finally, we should also consider the supply-side. In sixteenth and seventeenth-century Southeast Asia, there was always an abundant (although not sufficient) supply of slaves. Debt-bondage was a widespread phenomenon, as was slave-raiding and the sale of captives. It is beyond the scope of this article to address the question of why certain societies, such as Bali, systematically sold their population surplus, or why other societies, such as Java, stopped doing that during the sixteenth century.<sup>14</sup> It is clear, though, that this sustained — although fluctuating — supply of slaves enabled the port of trade rulers to rely partly on slaves, whereas, on the other hand, a high demand for slaves kept institutions such as debt-bondage, slave-raiding and the sale of captives alive.

Whatever the reasons behind the use of slaves by the Banten aristocracy may have been, the ambitious seventeenth-century sultans of Banten always seem to have been hard pressed for labour. In 1664, the sultan promised a rise in 'wages' to the slaves who had run away from Batavia, in order to attract more runaways. They used to get one (Spanish) rial plus two *gantang* of rice per month, to which half a rial was added.<sup>15</sup> As a rule, slaves did, indeed, receive a certain payment per month, unless they were hired out or set up by their master to earn their own income by various methods (exploitation of cocopalms, fishing, spinning and weaving), of which the master received half.<sup>16</sup> This is an important point, because it implies that the difference between slavery and wage-labour is not as absolute as we might have hoped or expected. I will return to this point shortly.

In 1671 the sultan started the construction of a canal, probably both for irrigation and transport, for which he pressed into his service a number of local opium smokers (of which Banten boasted some 1,200 or 1,300!) and some Makassarese who had recently arrived. In 1675 he was still at it, using, besides 400 to 450 opium smokers, his 'normal' subjects (whom he had forbidden to sail from Banten as long as the construction activities lasted), and 400 to 500 runaways from Batavia. When the sultan repaired his fortifications in 1680, he once again pressed the Batavian runaways into his service and numerous resident Balinese and Malays, all without pay. This, however, led the people from Bali and the Malays to 'strike'; they firmly told the sultan that they were people who could not work without pay.<sup>17</sup>

Finally, it seems likely that some real wage-labour could be found in Banten around 1600. Jacob van Neck, who arrived in Banten in 1598, tells us that the [rich] Bantenese were always accompanied by slaves and other servants, called *laskar*. The *laskar* were freemen ('*vrielyden*') who were hired by the year. They were supposed to fight when their master went to war.<sup>18</sup> Unfortunately, we do not know whether these *laskar* were local people or foreigners.

What this short exposé on Banten teaches us, is that ambitious, commercially oriented rulers of ports of trade in the seventeenth century were constantly confronted with a shortage of labour. Their solution to this problem consisted of a flexible strategy, in which slavery played an important, but not exclusive part. Besides employing compulsory labour from their free subjects, semi-outlawed opium addicts, unfree Batavian runaways, and free foreigners (and perhaps even locals) to whom wages had to be paid, they even had to resort to giving wage rises of sorts in order to attract more labour. We will never know what would have happened if the development of places such as Malacca, Makassar, Aceh and Banten had not been nipped in the bud by the European newcomers. Nevertheless, it looks as if a gradual spread of real wage-labour would have been an attractive option, not too far removed from the carrot-and-stick methods employed by the sultans. It is obvious that there was a demand to be met, but less obvious

whether there was an adequate supply. To that question I will turn presently, when dealing with the European efforts to create a labour pool.

Antony Reid has made the point that this form of Southeast Asian slavery coincided with 'the high points of commercially oriented urban development'.<sup>19</sup> The same link between slavery and a booming economy can be found in the Caribbean between let us say 1660/70 and 1800 and, for that matter, in classical Greece and Rome. In these cases, slavery was locally the most 'advanced' mode of production.

## 2. *The appearance of the coolie (1650-1750)*

'In none of these trading cities of the sixteenth and seventeenth centuries can we identify a class of independent urban artisans or labourers, free to work for wages or not to work at all'.<sup>20</sup> If this statement is also meant to apply to Batavia, which I think it is, it is not borne out by the sources. Of course, the first few decades of the Dutch in Batavia (founded as such in 1619 on the ruins of Jayakarta) were difficult ones as far as labour recruitment was concerned. In the 1620s and 1630s, ships were often sent all the way to Japan or Siam for repairs, because there was a shortage of carpenters of any kind in Batavia.<sup>21</sup> Nevertheless, they soon learned how to cope with the situation.

Next to their European VOC personnel (mostly soldiers and sailors), the Dutch could employ their own slaves (which, in imitation of Southeast Asian potentates, they had started to buy almost immediately), Chinese, and so-called *Mardijkers*. The Chinese certainly must be regarded as an important source of free labour. Tony Reid, the author of the quotation given above, does mention them as an exception to his rule, but he seems to underestimate their importance when he considers their employment as occasional and their presence as temporary. Already in 1604/5, the English in Banten hired a Chinese bricklayer for the construction of part of their 'factory', whereas in 1617 the Dutch in Jayakarta hired Chinese shipwrights.<sup>22</sup> Chinese were systematically and continuously attracted to Batavia since its very beginning as a Dutch settlement, a movement that picked up speed in the 1680s, when the Environs of Batavia were developed and when, at the same time, the Chinese government lifted its maritime prohibitions.<sup>23</sup>

The *Mardijkers* [from the Malay word *merdeka* = free] were usually freedmen and their offspring, who spoke Portuguese, and were often of mixed Asian-Portuguese descent.<sup>24</sup> Finally, there were smaller groups of Dutch *vrijburgers* (*i.e.*, Dutchmen not in VOC service), mestizos (supposedly children of Dutch-Indonesian 'couples', the later 'Indos'), Javanese, Balinese, and 'Moors' (*i.e.*, Muslims, predominantly from India).

For an impression of the numerical importance of the aforementioned groups, I will present the results of a 'census' taken at the end of 1679 in the city of Batavia and its suburbs:<sup>25</sup>

slaves <sup>26</sup>	15,995
Mardijkers	6,204
Chinese	3,006
Dutch	2,135
Balinese	1,394
Moors & Javanese	1,220
Malays	980
mestizos	619
Javanese soldiers	3,065

Of a population of just under 35,000 inhabitants, somewhat less than half (16,000) thus consisted of slaves. By the end of the century this would have occasionally risen to 30,000, and by the end of the eighteenth century there were almost 40,000 slaves. In the seventeenth century the Company owned at most only 10% of this group. These were the so-called *ambachtsslaven* or artisan-slaves, often rather specialized labourers who were all paid a certain 'wage'. This remuneration enabled some of the more thrifty slaves to buy their freedom after having served the Company for a considerable period.<sup>27</sup>

For several reasons the VOC never owned enough slaves to carry out all the work that had to be done. In the first place, there were often problems with the supply-side, such as happened after 1665 when the supply from Arakan (Burma), until then the single most important source of slaves, was cut-off. In the second place, the Company seems to have seen advantages in a policy of 'privatization' from the 1670s onward. Instead of executing certain projects with their own slaves, they started to invite tenders for these activities. After the work had been carried out by the contractor, or rather his slaves, the Company would pay him, after inspection and often some haggling, the lump-sum contracted.<sup>28</sup> Although the lack of slaves may have been the most important motive for this use of jobbing-gangs, other considerations could have been involved. Risk spreading may have been one of them. Every year large numbers of slaves ran away to Banten, and it may have occurred to the VOC officials to strike a balance between an assured supply of labour but high runaway risks on the one hand, and lower risks but higher expenses incurred by labour contracting on the other hand. As tenders were invited especially for back-breaking, dirty, and unhealthy work such as digging moats and canals, it is also possible that the Company was not particularly eager to expose their relatively highly skilled artisan-slaves to that kind of work.

This protection, however, was not extended to the *ketting-gangers* or chain gang. This was a mix of recent prisoners of war, recaptured runaways, and condemned criminals, both slave and free. They were employed for the most menial activities. The Company encouraged private owners of troublesome runaways to sell them to the VOC, because chain-slaves were less expensive than hired ones.<sup>29</sup>

Another option for the VOC was, indeed, to hire the slaves individually from their owners. These slaves were called *huurslaven* (literally, 'hired slaves'). They were, for instance, employed on Onrust, an island near Batavia, where the VOC had a large shipyard. This wharf employed hundreds of labourers, many of them European and skilled shipwrights, but also less skilled workers, such as caulkers, who at least in the 1670s seem to have been predominantly hired slaves.<sup>30</sup> In Anthony Reid's opinion, this form of 'wage-labour' was the only alternative to slave-labour, apart from the occasional Chinese worker.<sup>31</sup> If, however, we scan the sources carefully for variations in labour relations, a different picture emerges, in which free wage-labour, already present in the second half of the seventeenth century, has firmly taken root after 1700.

The first references (leaving the *laskar* aside) are, admittedly, not unambiguous. In 1656, on a forest range to the south of Batavia, 100 Javanese and 70 to 80 Dutchmen were cutting timber, protected by a group of Ambonese VOC soldiers. It is not likely that these were Javanese slaves, either hired ones or the Company's own, because Javanese slaves in Batavia were a rarity around 1650, if they existed at all. Besides, if they had been slaves, in all probability they would have been specified as such, as was the case with the 50 to 60 slaves cutting wood in Bekasi (to the east of Batavia) in 1659. They were also not corvée labourers, because at that moment the VOC did not have access to that sort of labour. In Banten, in 1659, the VOC Resident employed five Bantenese on a permanent basis (not hired by the day), which makes it unlikely that they were hired slaves.<sup>32</sup> They seem to bear some similarities to the *laskar* mentioned above.

Around 1670, we find a new phenomenon, or at least a new term in the sources, namely the *coolie* [Dutch: *koelie*, Malay: *kuli*]. The term comes from India, but its precise etymology does not seem to be entirely clear, and it is either related to the Western Indian caste or tribe of the Koli, associated with unskilled, menial labour and dacoity, or to the Tamil term *kuli*, associated with wages. Both notions seem to converge in the Dutch-Indonesian term *koelie/kuli* which is associated with both menial work and wage-labour.<sup>33</sup> But even in the Indonesian sphere the term is, alas, not unambiguous, at least not between 1670 and 1800. There were free coolies and bonded ones, as testified by the coolie regulations of 1746, and only occasionally we can be sure that the coolies referred to are, indeed, free wage-labourers.<sup>34</sup> The important point is, however, that there are sufficient clear-cut references to free wage-labour to reject the thesis that labour was always bonded in one way or another.

Nor is the term coolie the only one with which free wage-labour could be indicated. Skilled artisans, working for the Dutch in wage-labour, were not called coolies. Such people are mentioned in 1677, when the Susuhunan, the ruler of Mataram, gave the Dutch permission to hire as many carpenters, smiths, sawyers and other craftsmen as they needed for their wharf in

Rembang, either on a permanent basis or by the day. A few months later, 24 villages of woodmen in the regency (*kabupaten*) of Rembang were placed under VOC sovereignty, which meant that the Javanese rulers and his officials no longer had any authority over them. This implies that the Rembang shipyards were neither working with corvée labourers, nor with slaves.<sup>35</sup>

For the years between 1709 and 1746, Luc Nagtegaal gives many examples of free wage-labourers in several trades and in many areas of Java's northeast coast and in the Priangan in Western Java.<sup>36</sup>

The term coolie, however, is a convenient symbol for the appearance of free wage-labour. Its etymology, containing elements of unskilled labour, dacoitry and wages, neatly sums up the developments with which we seem to be confronted, namely, the creation of social underclass, neither slaves nor clients of Javanese patrons, cut loose from their village moorings, and living by their wits. The criminal ('dacoitry') side of the coin is aptly illustrated by several cases of assault found in the *Daghregister*. In 1678 and 1679 there are four cases of Chinese and Europeans who had manned their ships with hired Javanese, and who were either killed by their hirelings or barely escaped alive.<sup>37</sup> By these examples I do not mean to imply, of course, that all coolies were criminals. What I want to say is that, even in a situation with a favourable man/land ratio, people left their villages permanently for all sorts of reasons (conflicts, crimes, disappointed love, and in search of adventures). They tried to survive by hook or by crook, becoming bandits, robbers, or wage-labourers, depending on the circumstances. In the seventeenth century the circumstances were such that there was a large and constant demand for wage-labour. Under these conditions, the number of people leaving their villages could reach the proportions of a 'critical mass', large enough to form a permanent proletariat and an ever available pool of wage-labour.

A final element to be dealt with in this section concerns the wages coolies earned. Anthony Reid makes the point that Europeans arriving in Southeast Asia in the sixteenth century found the wage levels they encountered incredibly high. He quotes wages around 1600 that were on average 25 times the daily rice requirements of one person. In his opinion, this is a clear indication that these wage cannot have been the earnings of free labourers, but of slaves who had to hand over a large proportion of their income to their owners.<sup>38</sup> This may have been the case around 1600, but later in the seventeenth century and in the eighteenth century, real wages seem to have dropped. In the 1650s the Resident at Banten paid his permanent Javanese personnel 4 rials a month; for this amount in Batavia one could buy 24 *gantang* of rice or 240 *kati*, which is eight times the daily rice requirement of one person. The coolie regulations of 1746 state quite clearly that coolies, both free and slave, had to be paid 8 stivers for a day's labour; in the 1770s, 1 *kati* of rice could be had for 2 stivers, which results in a daily wage four times the rice requirement.<sup>39</sup> Real wages, therefore, fell between 1600 and 1780, no

doubt because the supply of free labour had increased. Compared to the level of real wages around 1900, they were still high, because the supply of labour was not yet high enough to meet the demands of the urban sectors.

### 3. *Bujang versus batur (1750-1830)*

Some of the people mentioned by Nagtegaal were seasonal migrants, a phenomenon much better documented for the nineteenth and twentieth centuries. He mentions the seasonal migrant as such for the first time in 1737; around the same time (1750), a 'new' term appears in the (printed) Dutch sources referring to the same person, namely, the *bujang* or *vrije gezel* (Dutch for 'free journeyman'). A *bujang* is literally a young adult, unmarried, usually but not always male, and as yet without claims to arable lands.

The first time the *bujang* is mentioned in the printed sources at my disposal, we meet him as a free wage-labourer on the sugar estates of the environs of Batavia.<sup>40</sup> Sugar around Batavia had been more or less a Chinese monopoly up to the massacre of the Chinese in 1740. Although after 1740 the Chinese came back as sugar-millers and skilled workers in the mills and on the estates, increasingly the unskilled workers were Javanese *bujang*. In 1800, some 4,000 *bujang* were employed by the Batavia sugar-mills. They were contracted for a period of half a year or one year.

These *bujang* were an unruly lot. If we may believe the sources, most of their spare time seems to have been spent on whoring, drinking, gambling and opium smoking. Around 1800, the environs of Batavia were infested by small and large bands of robbers, partly composed of *bujang* who had opted out of the system for one reason or another.<sup>41</sup>

My impression is that the *bujang* as a temporary migrant represents a new phase in the development of labour relations. Whereas the coolie had cut his ties with the village society permanently, the *bujang* seems to have done so only temporarily. He probably intended to go back to his village and get married, although a fair proportion of them did not seem to be inclined to save very much if the above-mentioned sources on their habits can be relied upon.<sup>42</sup> However that may be, my hypothesis is that a high and sustained (though, of course, fluctuating) demand for labour in the non-indigenous sectors of the economy, after a period in which it had to rely for its free labour on permanent drop-outs, was now attracting people who were willing to work for wages either during the agricultural 'dead' season, or for only one or two years. Although the demand-side of this sort of labour was certainly important, it cannot be ruled out that changes in the supply-side had also taken place. After all, Java was more densely populated around 1800 than it had been around 1700, and locally man/land-ratios may have reached critical levels. For Java as a whole, however, this was not the case.

Around 1800, free labour, either of the *bujang* or the *kuli* type, was also observed in the central provinces of Java, then still under their indigenous rulers. We do not know whether this was a novel element in these regions, but the important point is that free labour, at least around the turn of the century, was not a phenomenon restricted to the European sphere of influence. On the roads of the province of Kedu (west Central Java) alone there were between 20,000 and 30,000 porters. When the Dutch wanted to transport the pepper grown by the sultan of Yogyakarta to the port of Semarang (Central Java), they had to hire free porters. In 1798, W.H. van IJsseldijk, first Resident at the court of Yogya, warned his successor that he should not try to swindle them out of the money they had been promised, 'because the entire authority of the ruler would not be sufficient to get them back to work again'. In other words, they were not corvée labourers.<sup>43</sup>

Although free wage-labour had been firmly established by about 1800, obtaining a sufficient number of permanently employed wage-labourers remained problematic. A *mandadur* (overseer of a sugar-mill) received a premium for every month that a *bujang* worked without interruption, so we may assume that *bujang*, even if they had signed a contract for half a year, needed some persuasion to present themselves on the job every day and for the whole period. We also know that there was almost always a shortage of *bujang*, as witnessed by various *plakaten* (edicts) issued between 1750 and 1811.<sup>44</sup> After 1800, it became more and more usual to ask Javanese and Dutch officials in Priangan, Krawang and Cirebon to send labourers to the sugar-mills. Of course, this form of labour recruitment can no longer be regarded as hiring free labour. Although in a disguised form, we are confronted here with corvée labour. Around 1800, the Dutch as a rule used the term *batur* to indicate a corvée labourer.

Corvée labour was of course a very old institution, but the term *batur* does not appear in the printed sources at my disposal before the middle of the eighteenth century. Nagtegaal, however, mentions them already around 1705.<sup>45</sup> I have not been able to trace the precise etymology of the word, but it is clearly of Iberian origin and an indication for someone carrying something. It is not a coincidence that the term *batur* begins to appear in the sources around 1700, because around that time the VOC had tightened or was tightening its grip on parts of Java, such as the Priangan and Cirebon (both in Western Java) and the northeast coast. About 1750 the Company expanded the area under its sovereignty on Java's northeast coast. Once firmly established, the local Residents copied the *bupati* and acquired the right to a number of corvée labourers for their retinue and for other chores. These *batur* were delivered to the Residents by the *bupati*. With the expansion of the area under its sovereignty, the VOC tried to replace (expensive) coolies and slaves by (cheap) *batur*. Around 1800 the Company decided to come to the aid of the private sugar sector by supplementing the *bujang* labour force with



*batur* when it became clear that the supply of free labourers was not large enough.

As a rule, *batur* had to be paid as well, although at a somewhat lower rate than free wage-labourers. At the very least they were given sufficient rice and salt to survive, but often they received more. Such was the case with the 1,000 or so corvee labourers who were annually sent down from the Priangan to Batavia about 1780 in order to dredge the stinking canals which were constantly silting up. They received 5 stuivers a day, which was more than twice what they needed for rice and salt.<sup>46</sup>

It is important to realize that all labourers — even chain-gangs had to be fed! — were paid in one form or another, whether they were slaves, corvee labourers, or free coolies and *bujang*. Economically speaking it was a question of degree, not of principle.

It would be best, therefore, to distinguish about 1800 degrees of freedom on Java, instead of asking whether labour was free or unfree. Entirely free labour was usually somewhat more expensive than bonded labour of one kind or another, and the choice for one form of labour over another fluctuated with supply and demand. The long held notion that there was no free labour to be had can be relegated to the realm of historiographical mythology.<sup>47</sup>

So at the beginning of the nineteenth century, the European sector of the Javanese economy had several options at its disposal when in search of labourers. There were slaves who could be employed by their owners or hired out, probably at a decreasing rate of profit, given the fact that real wages had gradually dropped. There was statute labour, the *batur*, to which the VOC had obtained more access in the course of time and to which by 1800 even private entrepreneurs had recourse. And finally, there were free wage-labourers: the permanent coolie and the seasonal, or at least temporary, *bujang*.

For the European sector, slavery had ceased to be an important source of labour. Between 1780 and 1810 the number of slaves had dropped sharply, and the large majority of slaves were now employed as household servants. Although there may have been some problems on the supply-side, I am inclined to regard a decreased demand for slave-labour as the primary cause of this drop in numbers. Because real wages had declined and wage and corvee labour were becoming increasingly available, slave-labour was just too expensive and too risky. During the British Interregnum (1811-1816), the slave trade would be abolished.

In contradistinction to slavery, both wage-labour and corvee labour were in constant demand and flourishing. Supply, however, remained problematic. Java at that time was still a country with a peasantry with sufficient resources to keep body and soul together. Supply of (permanent) free labour was therefore restricted to people who had fallen through the bottom of village society, or to the landless from areas where the man/land

ratio and the fertility of the soil left much to be desired, or where oppressive rule made life miserable. Migratory labour was a life-cycle phenomenon, and therefore also rather inflexible.

Supply of statute labour was rather inelastic as well. Before 1830, the Dutch had to rely almost entirely on the *bupati* for their *batur*, and if the *bupati* refused to comply, or, as was usually the case, failed to fulfil his pledge, the Dutch were stuck. With an inelastic supply of both forms of non-slave labour, the only real difference between the two was the wage level, and even that was occasionally the same!

Given this state of affairs, the choice between free and statute labour was governed by availability, willingness and ability to pay more rather than less and good relations with the authorities. It should not surprise us, therefore, to see many large-scale establishments working with both free and corvee labour. Even the government was not able to get all the *batur* they needed for their enterprises. Good examples are the government engineering works and the mint in Surabaya (east Central Java), which respectively employed 1,275 and 850 workers in about 1810; only a few hundred of those were *batur*. Small wonder, therefore, that they tried to cut-back on the use of corvee labourers by private enterprise. In 1834, Batavia decided that the firm Trail & Co, owners of the Bekasi sugar mill in the Environs of Batavia, could no longer lay claim to 400 workers who were annually sent to them from Cirebon, where they had been recruited with the help of the local bureaucracy. One of the arguments to stop this was the fact that other sugar millers had no problems in hiring free labour, because they paid more than Trail & Co were prepared to do.<sup>48</sup>

Again, we will never know how Javanese labour relations would have developed if the Java War (1825-1830) had not taken place and if the Cultivation System had not been introduced (c. 1830), but the 'liberal' atmosphere of the period 1811-1825 seemed to herald the beginning of the end of unfree labour. Government was willing to experiment with free labour even in sectors such as forestry, where all activities had always been carried out with compulsory labour (the so-called *blandong* services).<sup>49</sup> The landrent paying Javanese peasant was expected to start growing commercial crops of his own choice, without Dutch or Javanese officials telling him what, where, how and when to grow. This would turn him into a profit maximizer, and, eventually, induce him to seek opportunities for wage-labour on a much larger scale than hitherto, because real income in the European sector of the economy was clearly higher than average income in agriculture. This might have happened, albeit in all probability not as soon and on as large a scale as the policy makers envisioned, but Javanese history took a quite different turn.

#### 4. *The heyday of statute labour (1830-1870)*

The period of the Cultivation System (*Cultuurstelsel*) has been described and analysed so often that there is no need to go into much detail. The basic features of the system were as follows: the Javanese peasant was forced to dedicate part of his arable lands (to a maximum of one-fifth) and part of his labour (also one-fifth, or 66 days) to the cultivation of coffee, indigo, and sugar. He would be paid for this (the so-called *plantloon* or crop payment), and with the payment he could settle his landrent (tax) obligations. He was also under the obligation to plant rice on those *sawahs* (bunded fields, either rain fed or irrigated) that were not needed for cash crops for the European market. Furthermore, he had to work for the sugar factories and the coffee and indigo establishments which processed his crops. On top of this, he had to show up regularly for compulsory labour for the village administration, and occasionally for large-scale projects on behalf of the regent or the Resident. Even the most powerful Javanese rulers in the days of Majapahit or Mataram could never have dreamt of the possibility of constantly mobilizing so many people for so many hours per day!

This is not the place to deal extensively with the question of how the Dutch succeeded in mobilizing so much labour in such a short time, but let me give a few pointers. Bob Elson is no doubt right when he points out that it was not coercion alone that made the system work, but also the creation of incentives.<sup>50</sup> Another element in any explanation should be that between 1813/4, when Raffles started to implement his Landrent System, and 1830, the European bureaucracy had to concern itself increasingly with Javanese society at the village level. The bureaucracy expanded considerably and obtained a firmer grip on lower level decision makers such as district heads (*wedana*) and village headmen (*lurah*). Finally, a growing number of people had already been mobilized before 1830. I am, of course, referring to the *bujang* who was now integrated into the new system as a *batur*, or rather a *sikep* as the new terminology would have it.<sup>51</sup> Although some opportunities for free wage-labour remained, the whole tendency since 1830 had been to substitute statute labour for free labour, at least in all government owned and government sponsored enterprises. For a fair number of people this must have meant that they were doing what they would have done anyway, albeit for lower wages.<sup>52</sup>

Some free wage-labour had survived the onslaught of the Cultivation System. The sugar mills in the Environs of Batavia continued to operate with free labour. The same holds true for many private establishments in Batavia, Semarang and Surabaya. Around 1855, at the zenith of the Cultivation System, even the government sponsored sugar factories worked with thousands of migratory labourers.<sup>53</sup>

Nevertheless, the implementation of the Cultivation System must have delayed the spread of free wage-labour; in the first place, because enterprises

had easy access to compulsory labour and, in the second place, because most peasants were kept too busy to go in search for more remunerative activities.

Finally, for the sake of completeness, it should be mentioned that in those areas where the Cultivation System had not been introduced —predominantly the so-called Principalities or areas still under Javanese rulers— free labour, here called (*wong*) *glidhig*, was amply available.<sup>54</sup>

In 1870, a beginning was made with the dismantling of the Cultivation System, but already before that year, sugar factories had been obliged to employ predominantly free labour, and government officials had been curbed in their use of statute labour. Between 1860 and 1880, many factories had difficulties in obtaining all the labour they needed, but in the 1880s these complaints became less pronounced, although some friction between demand and supply remained visible up to the end of World War I. Most authorities accept the 1880s as the decisive decade as regards labour relations. Rapid population growth, particularly after 1850, had worsened the man/land ratio considerably, and the number of landless and dwarf-holders had increased steadily, creating a reservoir of temporary and permanent migrants. On top of this structural element came the sugar and coffee crisis, which, together with low rice prices made for lower wages, which obliged more people to seek more and longer outside employment.

Between 1880 and 1916, the last vestiges of the corvée services were abolished and replaced by a poll-tax. This gave the peasantry more time, but less money. As it was also around that time that the sugar factories, according to some authorities, had resolved their remaining problems with the supply of labour, the end of World War I could be regarded as the final step towards total 'commodification' of labour. All 'extra-economic' coercion had vanished, and wages had been reduced to even lower levels.<sup>55</sup>

Personally, I am not convinced of the necessity to look for the exact moment in time at which labour became entirely commodified and Capitalism made its triumphant entry, if only because one could easily argue that in Java labour has never been entirely commodified and that 'our' form of Capitalism was not replicated. Articles can still be written about present-day Java with titles such as 'economic individualism and the community spirit'. If, in addition to this, we realize that even Britain did not get rid of 'non-economic compulsion' before the 1860s, we might decide that there is not much sense in a search for a commodification of labour watershed.<sup>56</sup>

## 5. Epilogue

Whatever phrase we use for what occurred somewhere between 1880 and 1920, it is clear that free wage-labour was now readily available in large numbers. It was, however, not a novel phenomenon. I hope to have convinced the reader that free labour was already present in the seventeenth

century, where it had to compete with slave labour, which, in its turn, had been called in by the economically speaking 'progressive' elements around 1600 (the Malay Sultanates) in order to make up for a deficient supply of corvee labour. During the eighteenth century, the then most 'progressive' successor port of trade, Batavia, used its expanding territorial rights to tap a third main supply-line of labour, namely, corvee labour, in addition to increasing numbers of slaves and wage-labourers. Between 1790 and 1825 slavery all but vanished, and, given the 'liberal' tendency to abolish compulsory labour, for a moment it looked as if free wage-labour would triumph. What happened in its stead was an almost total reversal of labour policy, which made statute labour the mainstay of the European sector of the Javanese economy, although free labour never vanished entirely. Only after 1860 would this tendency be reversed again, and the now most 'progressive' sectors would rely increasingly on free wage-labour.

Although it is clear that labour could not be entirely 'commodified' before the man/land ratio had deteriorated considerably, it is also apparent that societal drop-outs and temporary migrants constituted a pool of free labour long before the man/land-ratio in Java as a whole had reached a critical value.

Finally, this short overview of the development of labour relations has taught us that own slaves, hired slaves, corvee labourers and free wage-labourers cannot be regarded as clear-cut social and economic categories. They all got paid most of the time, and sometimes even the same wage, no matter to which category they belonged. For the employer and the government official it was often a matter of availability, convenience, opportunity, political clout or ability and willingness to pay higher wages whether he used bonded labour instead of free labour.

Addressing now the question of why the evidence of wage-labour before the 1880s has been largely ignored, I am inclined to turn to European historiographical tradition for an explanation. Ever since the nineteenth or even eighteenth century, European historians and (other) social scientists have been taught to conceive of development as taking place in stages (German: *Stufen*), going from some lower level through one or more intermediate ones to a higher level. Names such as those of Hildebrand, Marx, Bücher, and — perhaps amazed to find himself in such company — Rostow come readily to mind.<sup>57</sup> These concepts are largely based on European experience. A very rough and no doubt slightly caricatural summary of the development of relations of production in Europe, particularly Western Europe, would read as follows: slavery vanished during the early Middle Ages, was replaced by serfdom, which, in turn, gave way to wage-labour at the beginning of the early modern period. In other words, a movement from totally unfree labour via a mitigated form of bonded labour to 'free' labour.

The historian trained in a European tradition, therefore, is inclined to see a similar development in labour relations in non-Western societies, where

bonded labour of one form or another is supposed to have been replaced by wage-labour from the late nineteenth century onward. Such a conception is supported by the notion that in a pre-capitalist, agrarian society, a label applicable to all non-Western societies before 1900, wage-labour (labour as a commodity) could not exist. That this position is untenable for areas such as China, India and Latin America is by now clear.<sup>58</sup> I hope to have demonstrated that it cannot be upheld for Java either.

## NOTES

- \* This article is based on part of a paper, prepared for the workshop on 'nonfarm activities', held by the European Social Science Java Network, 2-4 May 1990, in the Hague.
1. As free labour can also mean gratis labour, the inverted commas indicate that here free is meant as opposed to unfree or bonded; I will drop this rather pedantic indication henceforth, as it makes tedious typing and irritating reading.
  2. The notion as such is not a recent one, as testified by the pre-war writings of J.H. Boeke and D.H. Burger.
  3. H. Yule, *Cathay and the way thither, being a collection of medieval notices of China; II. Odoric of Pordenone* [Works Hakluyt Society, 2nd series, 33] (London, 1933) 152-153; A. Cortesão, ed., *The Suma Oriental of Tomé Pires. An account of the East, from the Red Sea to Japan, written in Malacca and India in 1512-1515* [Works Hakluyt Society] (London 1944; reprint 1967) 175. For population estimates see A. Reid, *Southeast Asia in the age of commerce 1450-1680; I. The lands below the winds* (New Haven/London 1988) 11-18; P. Boomgaard, 'The Javanese rice economy 800-1800', paper for the Workshop on 'Economic and demographic development in rice producing societies: some aspects of East Asian economic history, 1500-1900', September 1989, Tokyo.
  4. See, e.g., the *opus classicum* on slavery, H.J. Nieboer, *Slavery as an industrial system; Ethnological researches* (The Hague 1910). For an 'updated version' see E.D. Domar, 'The causes of slavery or serfdom; A hypothesis', *Journal of Economic History* 30 (1970) 18-32.
  5. Unless stated otherwise, references to slavery in Java are taken from the publications of Anthony Reid: A. Reid, 'Introduction: slavery and bondage in Southeast Asian History', in A. Reid, ed., *Slavery, bondage & dependency in Southeast Asia* (St Lucia, etc. 1983) 1-43; A. Reid, 'Closed' and 'open' slave systems in pre-colonial Southeast Asia', in Reid, *Slavery*, 156-181; A. Reid, *Southeast Asia*, 129-136. Although I have objections to some of his statements, I owe much of my understanding of pre-colonial Southeast Asia to his inspired and inspiring studies.
  6. G.P. Rouffaer & J.W. IJzerman, eds, *De eerste schipvaart der Nederlanders naar Oost-Indië onder Cornelis de Houtman, 1595-1597; I. D'eerste boeck, van Willem Lodewyckz* [Werken Linschoten Vereeniging, 7] (The Hague 1915) 129.
  7. Elsewhere I have argued that weak links with their hinterland were one of the most important features that distinguished the prosperous Muslim ports of trade in

Southeast Asia from similar commercial centres in Flanders and Northern Italy in the Later Middle Ages; P. Boomgaard, 'The Javanese rice economy'.

8. Rouffaer & IJzerman, *De eerste schipvaart*, 129.
9. P. Boomgaard, *Between sovereign domain and servile tenure; The development of rights to land in Java, 1780-1870* [Comparative Asian Studies, 4] (Amsterdam 1989) 11.
10. See Reid, *Southeast Asia*, 24 (he does not make it clear whether around Aceh rice was grown on the domains of the ruler). For Banten in the 1670s, see various volumes of the *Daghregister* or daily register; J.A. van der Chijs et al., eds, *Daghregister gehouden int Casteel Batavia vant passerende daer ter plaetse als over geheel Nederlands-India* (Batavia/The Hague 1888-1931) [30 Volumes, covering selected years between 1624 and 1682]. *Daghregister* 15.1.1664 contains a reference to the sultan of Banten supervising the rice harvest on his domains. On Aceh and rice see also W.Ph. Coolhaas, ed., *Pieter van den Broecke in Azië; Vol. I* [Werken Linschoten Vereeniging, 63] (The Hague 1962) 174.
11. Slaves, working the manorial domains of their masters, obtained in all probability after some time a serf-like status, comparable to the mediaeval customary tenant of Europe; see also: Reid, 'Introduction', 23.
12. What has been said here about the production of rice might also apply to pepper. Around Banjarmasin, another Malay sultanate, slaves were used in the pepper 'gardens'; H.A. Sutherland, 'Slavery and slave trade in South Sulawesi, 1660s-1800s', in: Reid, *Slavery*, 267. This might have occurred in the other 'pepper sultanates' (Aceh, Banten, Patani) as well.
13. W. Foster, ed., *The voyage of Sir Henry Middleton to the Moluccas 1604-1606* [Works Hakluyt Society, 2nd series, 88] (London 1943; reprint 1967) 95, 142, 171.
14. See, e.g., Reid, 'Introduction', 31.
15. *Daghregister* 14.2.1664; a *gantang* was 1/10th of a *pikul* of 125 Amsterdam pounds (the Amsterdam pound being 0.495 kg).
16. Rouffaer & IJzerman, *De eerste schipvaart*, 129.
17. *Daghregister* 12.11/15.11.1671; 17.11.1675; 19.12.1680. From time to time the sultans tried to suppress opium smoking (and even sometimes tobacco smoking), often by draconian measures, such as selling into slavery to the *Lampung*s of people in possession of opium, but usually they seem to have availed themselves of their semi-outlaw status by employing them for disagreeable tasks, such as digging canals and fighting their wars (e.g., against Palembang in 1668).
18. J. Keuning, ed., *De tweede schipvaart der Nederlanders naar Oost-Indië onder Jacob Cornelisz. van Neck en Wybrand Warwijck 1598-1600; Vol. I* (Werken Linschoten Vereeniging, 42; 's-Gravenhage 1938) 88-89. The word *laskar* comes from the Persian *lashkar*, which means army or camp. In the nineteenth century it was increasingly applied to sailors from Asia who had been hired by European ships. In modern Indonesian *laskar* still means army.
19. Reid, 'Introduction', 14. A similar point is made in Warren's masterful study of the Sulu sultanate: J.F. Warren, *The Sulu zone 1768-1898; The dynamics of external trade, slavery, and ethnicity in the transformation of a Southeast Asian maritime state* (Singapore 1981).
20. Reid, 'Closed' and 'open', 168. See also Reid, *Southeast Asia*, 129-131.
21. *Daghregister*, 10.6.1626; 23.7.1627; 5.4.1633.

22. Foster, *Middleton*, 117; J.W. IJzerman, ed., *Cornelis Buijsero te Bantam 1616-1618; Zijn brieven en journaal* (The Hague 1923) 89.
23. L. Blussé, *Strange Company; Chinese settlers, mestizo women and the Dutch in VOC Batavia* [Verhandelingen KITLV, 122] (Dordrecht/Riverton 1986) 26, 52. Some Chinese had stayed on when the Dutch conquered Jayakarta and turned it into Batavia.
24. On the *Mardijkers*, see F. de Haan, *Oud Batavia* (Bandung 1935<sup>2</sup>; 1st edition 1922) 397ff.
25. *Daghregister* 31.12.1679. The census includes adult males and females and children, except the group of Javanese soldiers who are all adult males; I do not know whether they had no wives and children or whether they were just left out. The Dutch population in all probability consisted of permanent residents, which means that temporary residing VOC soldiers and sailors were not counted. The Javanese soldiers mentioned here were the ones who guarded the outer fortifications under their own captains.
26. The Dutch term used for slaves in this source, as in many others of the same period, is *lyfeygenen*, literally people whose body (*lyf*) was owned (*eygen*) by someone else. In a European context this term would indicate a serf, who was not so much tied to a holding as to a person. I have never been able to discover any difference in the Southeast Asian context between people who were indicated with the term *lyfeygene* and those who were called *slaaf* (slave).
27. See Reid, 'Introduction', 29; *Daghregister* 30.1.1674; 25.1.1675 for numbers of artisan-slaves in various years. For more details see also De Haan, *Oud Batavia*.
28. *Daghregister* 30.1.1674; 12.8.1681. See also Blussé, *Strange Company*, 52, on Chinese labour contractors.
29. See, e.g., J. Fox, 'For good and sufficient reasons'; An examination of early Dutch East India Company ordinances on slaves and slavery', in Reid, *Slavery*, 249-251. See also *Plakaat* (officially published decree) 4.9.1733 in J.A. van der Chijs, *Nederlandsch-Indisch Plakaatboek 1602-1811* (Batavia 1885-1900) (17 Volumes), Vol. IV [further to be quoted as *Plakaatboek*].
30. *Daghregister* 25.1.1675; De Haan, *Oud Batavia*, 346.
31. Reid, *Southeast Asia*, 131.
32. *Daghregister* 24.12.1656; 28.3.1659; 13.9.1659.
33. For the etymology of the term, see H. Yule, ed., *Hobson-Jobson; A glossary of colloquial Anglo-Indian words and phrases* (London 1903) 249-251, with references from the late sixteenth century onward. It appears for the first time in the *Plakaatboek* in 1668 (21.8) and in the *Dagregister* in 1670 (18.4). As I certainly have not seen all pertinent sources, it might occur somewhere earlier. In the nineteenth century the term would 'filter down' to the village sphere and take on an entirely different meaning (for instance *kuli kenceng*), while, at the same time, it became the normal word for unskilled casual labourers in transport and the urban sectors.
34. The coolie regulations can be found in *Plakaatboek*, V, 23.9/21.10.1746. Other references to free coolies for instance in *Plakaatboek*, II, 29/30.3.1669, where a distinction is made between *knechts* ([European] journeymen), slaves, and coolies, and De Haan, *Oud Batavia* 411, where a *Mardijker*, free by definition, gets a coolie-wage. The term *kuli*-slave, introduced by Jim Fox and never to be found in the sources, must be regarded as an unfortunate neologism; Fox, 'For good and sufficient reasons', 250-251.



35. *Daghregister* 27.4.1677; 9.12.1677.
36. L. Nagtegaal, *Rijden op een Hollandse tijger; De noordkust van Java en de VOC 1680-1743* (Ph.D. dissertation University of Utrecht, 1988) 178, 194-196.
37. *Daghregister* 4.4.1678; 12.7.1678; 18.7.1679; 2.10.1679.
38. Reid, *Southeast Asia*, 129-131.
39. *Daghregister* 27.4.1657; 13.9.1659; *Plakaatboek*, V, 23.9/ 21.10.1746; X, 10.7.1781.
40. *Plakaatboek*, VI, 31.12.1750.
41. P. Boomgaard, *Children of the colonial State; Population growth and economic development in Java, 1795-1880* (Amsterdam 1989) 27, 122; P. Boomgaard, 'Buitenzorg in 1805; The role of money and credit in a colonial frontier society,' *Modern Asian Studies* 20 (1986) 33-58, in particular 34-36.
42. Elsewhere I have made a distinction, for the nineteenth century, between the village *bujang* (working as a farmhand in a peasant household) and the professional or proletarian *bujang*, employed in the European sector; Boomgaard, *Children*, 65-66. Jan Breman has criticized this notion; J. Breman, *The shattered image; Construction and deconstruction of the village in colonial Asia* [Comparative Asian Studies, 2] (Dordrecht/ Providence 1988) 37. I must admit that I have indeed formulated my position too strongly. I now think that the *bujang* was a rural migrant who might go either to just another village and work there as a sort of apprentice with distant kin, or to the European estates. If he had opted for the latter possibility, he was again, like Biggles, confronted with two choices: either return after a season, a year or two years, or stay and become a real proletarian. The *bujang* of the early nineteenth century hovered between two worlds.
43. P. Carey, 'Waiting for the 'Just King'; The agrarian world of South-Central Java from Giyanti (1755) to the Java War (1825-30)', *Modern Asian Studies* 20 (1986) I, 83; The Hague: Algemeen Rijks Archief [= National Archives, hereafter ARA]: Collection De Kock, 142: Memorie van Overgave [Memorandum of Transfer], Yogyakarta, W.H. Ijseldijk to J.G. van den Berg, 1798.
44. Boomgaard, *Children*, 27; *Plakaatboek*, VI, 31.12.1750; X, 10.8.1784; XIII, 9.4.1802; 1.6.1802; 27.7.1802.
45. Nagtegaal, *Rijden*, 193. In the *Plakaatboek* the first *batur* appears in 1747 (V, 3.10). Once again we come up against a term that is not entirely unambiguous. Crawford, for instance, uses the term *batur*, even though he is clearly describing free coolies engaged in transporting and carrying ('ambulatory labourers'); J. Crawford, *History of the Indian archipelago; containing an account of the manners, arts, languages, religions, and commerce of its inhabitants* (Edinburgh 1820) I, 110.
46. *Plakaatboek*, X, 10.7.1781.
47. This notion can be found in an implicit form (no free labour before 1880; e.g., E.R. Elson, 'Sugar factory workers and the emergence of 'free labour' in nineteenth century Java', *Modern Asian Studies* 20 (1986) 139-174) or explicitly formulated, as in: F. Tichelman, 'Problems of Javanese labour; Continuity and change in the nineteenth century (servitude and mobility)', *Itinerario* 11 (1987) I, 160, and in: J. Breman, *Control of land and labour in colonial Java; A case study of agrarian crisis and reform in the region of Cirebon* [Verhandelingen KITLV, 101] (Dordrecht 1983) 12.
48. Boomgaard, *Children*, 118-124.

49. P. Boomgaard, 'Forests and forestry in colonial Java, 1677-1942', in: J. Dargavel et al., eds, *Changing tropical forests; Historical perspectives on today's challenges in Asia, Australasia and Oceania* (Canberra 1988) 76.
50. R.E. Elson, 'The mobilization and control of peasant labour under the early Cultivation System in Java,' in: R.J. May & W.J. O'Malley, eds, *Observing change in Asia; Essays in honour of J.A.C. Mackie* (Bathurst 1989) 93.
51. The use of the term *sikep* was based on a misunderstanding by the Dutch authorities about the precise nature of corvee obligations. It was, indeed, the *sikep*, full-time peasant with a family holding, who was required to fulfil the corvee obligations, but unless he was very poor, he would always sent a replacement, namely, a *bujang*. For more details see: Boomgaard, *Children*, 61.
52. A similar point is made in: G.R. Knight, 'Peasant labour and capitalist production in late colonial Indonesia; The 'campaign' at a North Java sugar factory, 1840-1870' (paper without date or place, c. 1986).
53. Boomgaard, *Children*, 124; N. Dros, 'De ware lastdieren der bevolking; Arbeid in de suiker-districten op Java omstreeks 1855; Een voorlopige analyse van 94 streekmonografieën uit het archief van de Commissie-Umbgrove' (unpublished report, Free University of Amsterdam 1989).
54. V.J.H. Houben, *Kraton en Kumpeni; Surakarta en Yogyakarta 1830-1870* (Ph.D. dissertation University of Leiden, 1987) 309-312.
55. H.E. Levert, *Inheemsche arbeid in de Java suikerindustrie* (Wageningen 1934) 103, 181; W. Wolters, 'From corvee labour to contract labour: institutional innovation in a Javanese village around the turn of the century' (paper for the conference on the 'Late Colonial State in Indonesia', Wassenaar, June 1989).
56. T. Schweizer, 'Economic individualism and the community spirit; Divergent orientation patterns of Javanese villagers in rice production and the ritual sphere', *Modern Asian Studies* 23 (1989) 277-312; E.J. Hobsbawm, *The age of capital 1848-1875* (London 1977 (1975), reprint 1988) 257. The otherwise admirable study of Florencia Mallon on Peru is, in my opinion, marred by her insistent search for the precise moment of 'transition'; F.E. Mallon, *The defense of community in Peru's central highlands; Peasant struggle and capitalist transition, 1860-1940* (Princeton 1983). Nevertheless, I would be quite happy if such a study (warts and all) would be undertaken for an area in Java!
57. For a recent summary of the pros and especially the cons of 'Stufen'-theories and other linear conceptions see: O. van den Muijzenberg & W. Wolters, *Conceptualizing development; The historical-sociological tradition in Dutch non-Western sociology* [Comparative Asian Studies 1] (Dordrecht/Providence 1988).
58. See, e.g., M. Elvin, *The pattern of the Chinese past* (London 1973); D. Kumar & M. Desai, eds, *The Cambridge economic history of India; II. c. 1757-c. 1970* (Hyderabad 1984); L. Bethell, ed., *The Cambridge history of Latin America; I. Colonial Latin America* (Cambridge, etc. 1984).

### III

#### TAXATION IN BRITAIN, FRANCE AND THE NETHERLANDS IN THE EIGHTEENTH CENTURY\*

by

*Wantje Fritschy*

Fiscal systems in the eighteenth century offer fertile ground for historical inquiry. As the financial needs of states increased, taxation became a vital topic of discussion among contemporary philosophers and economists. Economic growth in several states widened the tax base, but this did not match the growth rate of military expenditures. Because war expenditures were mainly financed by loans, an alarming share of tax revenue in the eighteenth century had to be spent on interest payments. Politicians increasingly became aware of the importance of statistical facts to adequately understand the problems of the state and society. In the last decennia of the eighteenth century, attempts were made everywhere to administer figures about public finance more systematically and in greater detail. In this way, reliable figures became more abundant for later historians. The revolutions and wars following the French Revolution finally put pressure on the governments to drastically change their *ancien regime* financial policies for both ideological and financial reasons.

In a comparison of the fiscal systems in eighteenth-century Britain and France published in 1976, P. Mathias and P. O'Brien reached some provoking conclusions: the fiscal burden per head seemed to have been heavier and increasing faster in Britain than in France in the eighteenth century and the share of indirect taxes falling on the poor seemed to have been larger in Britain than in France.<sup>1</sup> They argued that this might mean that the relation between taxation and the French Revolution and the Industrial Revolution is not as evident as contemporaries and subsequent historians have sometimes supposed. An excessive tax burden on the underprivileged classes seemed less plausible as a root of the first, and a favourable tax structure furthering the growth of internal mass demand and of low wage levels seemed less plausible as a contribution to the second.

In a more recent article on the political economy of British taxation between 1660 and 1815, O'Brien again stressed that 'the central authorities

of a society which had undergone a revolution occasioned initially by revolt against taxes of a Stuart monarch managed to appropriate significantly higher proportions of the nation's income than the 'despotisms' of continental Europe'.<sup>2</sup> As to the social incidence of taxation, however, he now was more careful.<sup>3</sup> He paid more attention to regulations and measures which minimized the fiscal burden for the poor in Britain, and he now seemed to see the middle class as the main victim of the rising British tax burden.<sup>4</sup> In the course of this paper we will see that the conclusion that the tax burden in Britain was heavier than in France also leaves room for some doubts.

The main purpose of this paper, however, is to add the Netherlands to their comparisons of taxation in Britain and France. In both publications the United Provinces is cited as the country in Europe where tax levels were even higher than in Britain and where, like in Britain, excise taxes were a principal source of revenue. As the Dutch experienced a political revolution in the wake of the French Revolution and did *not* experience an Industrial Revolution like the one in Britain, it is worthwhile to take a closer look at the fiscal system of the United Provinces in the eighteenth century in order to determine somewhat more precisely in which ways it resembled the British system *and* in which ways it did not.

During the eighteenth century Britain's tax structure was dominated by a wide range of indirect taxes and, according to O'Brien, only lacked an income tax to earn the qualification of 'modern'.<sup>5</sup> We will show that the role of indirect taxation in the Netherlands was less dominant in the eighteenth century than Mathias and O'Brien believed. This leads to the question of whether the tax structure in the Netherlands became less 'modern' than in Britain after the close of the glorious seventeenth century, or if it became even more 'modern'.

### *1. Unified and non-unified systems of taxation*

The first and main difference between the British and the Dutch fiscal system was that Britain had a centralized national fiscal system (although the fiscal integration of Scotland in the Union of 1707 seems not really to have been a success<sup>6</sup>), while the Dutch, like the French, did not. This, however, does not mean that the situation was the same in the Netherlands and in France. In France the various administrative fiscal regimes for some taxes (like the *cinq grosses fermes*, the *provinces réputées étrangères*, the *provinces à l'instar de l'étranger effectif*, the *pays des aides*, and the *pays des grandes gabelles*) implied different tax rates for different regions of the country. In the Netherlands, each of the seven provinces was financially autonomous. Decisions in fiscal matters were taken by representatives of cities and the landed aristocracy, who belonged to the class of the 'regents'. There were some similarities between the fiscal systems of the provinces, but the rates levied could vary consider-

ably and, although less so, so could the commodities taxed. Decisions on the amounts to be spent for the defence of the Union were taken jointly by all of the provinces in the States-General, and each province bore a fixed percentage of these (and some other) general costs. In principle the navy was financed by customs revenues, administered — on uniform rates — by the five admiralties spread out over the three coastal provinces. But in wartime, extra naval expenditures had to be approved by the States-General in the same way as the expenditures for armies and fortresses.

Just as in France after the French Revolution, a popular slogan in the Netherlands after the Batavian Revolution was that the country should henceforth be 'one and indivisible', and one of the arguments for fiscal unification was that the lack of it hampered internal traffic and, thus, economic development: one hears an echo of Adam Smith who had regarded 'the uniform system of taxation [as] perhaps one of the principal causes of the prosperity of Great Britain'.<sup>7</sup> Actually, this argument had much more relevance for a country with a large internal market like France, than for the Netherlands, which depended more on access to international markets for its economic welfare than on internal trade. The creation of a protected colonial outlet for Dutch textiles in the first half of the nineteenth century and the expansion of the national railway system in the 1860s were probably more decisive pre-conditions for internal economic integration and economic development than fiscal unification. But politically, the financial unification undoubtedly laid the foundation for a modern Dutch state. In 1688 a state-budget had already been presented to the national Parliament in Britain for the first time, while this only happened in the Netherlands in 1798.

## *2. Trends in tax revenue*

In their remarks on the Dutch fiscal system, Mathias and O'Brien probably only had Holland in mind, the biggest and mightiest of the seven provinces. It housed about 40% of the United Provinces' population and provided for more than half of the Generality's expenses (formally it had to pay about 60%, while it sometimes paid 70% or more).<sup>8</sup> Table 1 presents figures on the tax burden in Holland for several years between 1675 and 1807, which have been made comparable — in so far as possible — with the figures for Britain and France published by Mathias and O'Brien.<sup>9</sup> (See Appendix A).

To give an indication of the differences in taxation within the United Provinces, figures for the eastern province of Overijssel are supplied in Table 2. About 7% of the Dutch population lived in Overijssel and it provided for only about 3% of the Generality's costs.

Table 1 *Trends in tax revenue in Holland, 1675-1807.*

Year	Tax Rev. in mill. glds. current	Price Index 1700 = 100	Tax Revenue in constant prices of 1700 (2) : (3)	index 1750 = 100	Popul. (000)	Per capita Tax Revenue at prices of 1700 (4) : (6)	Index 1750 = 100
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1671-7 (average)	23.1	126	18.3	77	883	21	67
1720	19.1	99	19.3	81	(826)	23	74
1728	19.5	88	22.2	93	(816)	27	87
1750	22.0	92	23.9	100	783	31	100
1761	22.6	94	24.0	100	(786)	31	100
1788-94 (average)	24.2	115	21.0	88	(793)	26	84
1807	23.6	168	14.0	59	793	18	58

Sources: See Appendix A.

Table 2 *Trends in tax revenue in Overijssel, 1720-1807.*

Year	Tax Rev. in 000 glds. current	Price Index 1700 = 100	Tax Revenue in constant prices of 1700 (2) : (3)	index 1750 = 100	Popul. (000)	Per capita Tax Revenue at prices of 1700 (4) : (6)	Index 1750 = 100
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1720	938	99	947	89	( 96)	9.90	115
1728	991	88	1126	106	(102)	11.00	128
1730	991	78	1271	120	(104)	12.20	142
1740	863	110	785	74	(114)	6.90	80
1750	977	92	1062	100	(123)	8.60	100
1760	961	88	1092	103	(130)	8.40	98
1761	966	94	1028	97	(130)	7.90	92
1770	863	111	777	73	(133)	5.90	67
1780	875	101	866	82	(133)	6.50	76
1790	874	117	747	70	(134)	5.60	65
1794	987	126	783	74	(134)	5.80	67
1807	1.355	168	807	76	(141)	5.70	66

Sources: See p. 61

*Sources:*

- (2) General Archives in Overijssel, *Statenarchief*, numbers 1875-77.  
 (3) same as Table 1, column 3; an index of (regulated) ryebread prices for Overijssel would run as follows:

1700	1720	1730	1740	1750	1760	1770	1780	1790	1794	1807
100	74	62	100	69	71	86	74	108	115	84

(bread prices from the Municipal Archives of Kampen (in Overijssel) *Oudestads-archief*, numbers 2206-7; kindly put to my disposal by J.L. van Zanden)

- (6) B.H. Slicher van Bath, *Een samenleving onder spanning* (Utrecht 1977) offers figures for 1675 (70,678), 1723 (97,253), 1748 (122,431), 1764 (132,124), 1794 (134,104) and 1811 (143,141); the figures in the table are intrapolations based on a linear trend.

The conclusion to be drawn from these two tables must be that while tax revenue in *current* prices had nearly tripled in France and Britain between 1725 and 1790 and population growth in both countries was only about 35%<sup>10</sup>, in Holland — with a stagnant population — tax revenue had only increased by about 25% (Table 1, columns 2 and 6). In Overijssel despite a population growth of about 40% there was no increase at all (Table 2, columns 2 and 6).<sup>11</sup>

Table 3 compares the Dutch data with the figures presented by Mathias and O'Brien for Britain and France in *constant* prices. It shows tax revenue (in constant prices) in the two Dutch provinces declined between 1750 and 1790, while in France and Britain it rose not only in the first half of the century when prices generally declined, but also in the second half when prices rose.

Despite all of the reservations that must be kept in mind concerning the comparability and reliability of the price indices used (see Appendix A, ad column 3), the table clearly shows that the *trend* of tax revenues in the Netherlands was not at all similar to that in Britain. Contrary to the experience of Britain and France, per capita tax revenue in Holland and Overijssel clearly declined. This was mainly the result of a foreign policy which, at least until 1780, tried to avoid international conflicts as much as possible. It was, of course, at the same time partly a result of the rising price level and partly of insufficient economic growth.

Table 3 *Trends in tax revenues in France, Britain, Holland and Overijssel, 1715-1810.*

Year	Per Capita Tax Revenue at constant prices (index 1750 = 100)			
	France	Britain	Holland	Overijssel
(1)	(2)	(3)	(4)	(5)
1715	88	82		
1720		90	74	115
1728			87	128
1730	114	93		142
1740	109	82		80
1750	100	100	100	100
1755	118	90		
1760		108		98
1761			100	92
1770	93	103		67
1780	127	111		76
1790	131	136		65
1788-94 (average)			84	
1794				67
1800		145		
1803-4	133			
1807			58	66
1807-8	169			
1803-12		212		

*Sources:*

(2) and (3): Mathias and O'Brien, "Taxation", 604, Table 1, column 6 and 605, Table 2, column 6.

(4) and (5): = Table 1 and Table 2, columns 8.

Whereas the figures for Britain and France are as a rule averages for several years, this is not the case for the Dutch figures, unless explicitly indicated.

It is probable that a 'political ceiling' had been reached which impeded a further rise in the tax burden. We will return to this point later. Here it will suffice to recall that in the international constellation of the time, the Dutch Republic with a population of only 2 million could not easily afford to continue to be involved on an equal footing in wars with states like Great Britain with a population of 9 million and France with a population of 21 million, as had been the case — extraordinarily enough — in the seventeenth century.<sup>12</sup> Due to existing alliances, the Dutch Republic was forced to



participate in the War of the Austrian Succession (1740–48). But it succeeded in remaining neutral in the Seven Years War (1756–63). In 1780, however, it became involved in the so-called Fourth English Naval War (1780–84). Immediately, much more was spent on the navy than even in the heyday of the seventeenth century. Not only had prices risen so much that this meant fewer warships of lower quality than before, but English naval power had also increased so much during the eighteenth-century wars that it had become impossible for the Republic to fight wars with the same results as a century earlier.<sup>13</sup>

### *3. Tax burdens and national incomes – a tricky matter*

Having identified the trends in the tax burdens, Mathias and O'Brien presented percentages of commodity output appropriated as taxes, physical output being the only measure of national income available for France in this period. But, of course, incomes earned by services also bore their share of the tax burden. It does not seem reasonable to exclude this part of national output, especially in a country where the share of indirect taxes on goods and stamps was relatively high (and rising), which can be considered as an indication for the importance of the service sector. The authors admit that the percentages they calculated may exert a certain bias in the ratios, maximising the incidence of taxation in Britain<sup>14</sup>. It is not really convincing that their case for a high British tax burden rests on this foundation.

To this it should be added that O'Brien's estimate of economic growth in France between 1701–10 and 1781–90 in a subsequent publication with C. Keyder in 1978 is the most optimistic existing estimate (estimates range from 0.3 to 1.0 percent per year),<sup>15</sup> and this, of course, exerts a downward bias on the figures for the French tax burden as a percentage of national income. Moreover, the estimates for British economic growth made by Deane and Cole, which have been disputed by recent research, still had to be used. The level of national income is now supposed to have been much higher at the beginning of the eighteenth century than Deane and Cole thought, and its growth path during the eighteenth century less steep.<sup>16</sup> This means that it is very probable that the percentages of national income appropriated by taxes in France were higher than Mathias and O'Brien supposed and that the percentages for Britain were much lower. In fact, it is no longer inconceivable that the tax burden in Britain was lower than in France!

In this paragraph we will leave France aside and compare the part of national income appropriated by taxes in Britain, Holland and Overijssel, although attempts to correct the tax burden in Holland and Overijssel for the total incomes earned seem to be as tricky as for France and Britain.

Table 4 *Estimated share of national income per head collected as taxes in Holland, Overijssel and Britain (1700-1810).*

	exchange rate £/f		p.c. tax revenue (current prices)			% of nat. income appropri. by taxes				
	Brit.		Holl.	Ov.	Brit. %	Holl. %	Ov. %			
	£	f	f	f		min.	max.	min.	max.	
(1)	(2)	(3a)	(3b)	(4)	(5)	(6)	(7a)	(7b)	(8a)	(8b)
1671-7				26			10	12		
1720	10.60?	0.86	9.10	23	9.80	8	9	12	7	10
1728				24			10	15		
1730	10.30	0.88	9.10		9.50	8			9	13
1740	10.40	0.85	8.80		7.50	7			5	7
1750	10.40	0.98	10.20	28	7.90	8	11	16	6	9
1760	10.50	1.11	11.70		7.40	9			6	8
1761				29			11	16		
1770	10.10	1.24	12.50		6.50	9			4	6
1780	10.60	1.40	14.80		6.60	9			4	6
1788-94				34			10	14		
1790	11.60	1.81	21.00		6.50	10			4	5
1800	10.50	2.90	30.50			10				
1803-12	10.80	4.70	50.80			16?				
1807				30	9.60		12	17	7	10

*Sources:*

- (2) N.W. Posthumus, *An inquiry into the history of prices in Holland* (Leiden 1946) I, 597-617. See P. O'Brien & C. Keyder, *Economic growth in Britain and France, 1780-1914* (London 1978) 34-37 for a discussion of the problems in using foreign exchange rates in this context. See also: De Vries, 'Decline and rise', 188, note 35.
- (3a) Mathias and O'Brien, 'Taxation', 605, Table 2, columns 2 and 5.
- (3b) Columns 2 x 3a.
- (4) Table 1, columns 2 and 6.
- (5) Table 2, columns 2 and 6.
- (6)-(8b) See Appendix B.

Table 4 presents a comparison of the per capita tax burden in current guilders and a comparison of the parts of national income appropriated by taxes in Britain and in the two provinces in the Netherlands. The way in

which the figures were constructed is explained in Appendix B. The margins in columns 5a-b and 6a-b are unfortunately embarrassingly large, due to the uncertainties in the income estimates and in the deflator used. Table 4, nevertheless, leaves no doubt that the tax burden in the province of Holland was heavier than in England for the greater part of the eighteenth century, not only in guilders per head, but also as a percentage of income per head.<sup>17</sup> Income per head in Holland was still much higher than in Britain in the beginning of the century, but it is not certain that this was still the case at the end of the century.<sup>18</sup> Although comparable figures of national income are not available for France, it can be added that the amount of tax revenue per head in guilders in France was even lower than in Great Britain.<sup>19</sup>

It seems reasonable to assume that the percentage of income appropriated by taxes constitutes a kind of 'political ceiling' to the expansion of tax revenues, which can be broken through only by a major upheaval like a big war.<sup>20</sup> Table 4 can be seen as an illustration of this. In their comparison with France, Mathias and O'Brien emphasized the capability of the British government to raise tax revenue faster than economic growth. In his more recent article, O'Brien even stated that economic growth was not the major factor behind the marked rise in tax revenue from 1660 to 1815, but 'flexible administration and a prudent selection of the commodities and social groups 'picked upon' to bear the mounting exaction of the state'.<sup>21</sup> Without denying that British administration probably was more flexible and prudent than French administration, the comparison with Holland in Table 4 underlines however how much the increase of tax revenue in Great Britain, and thereby of British military power, until about 1790 was made possible by economic growth and population growth. Although the tax burden per head in guilders rose much faster than in Holland, the percentage of income appropriated by taxes in Britain — like in Holland, although at a lower level — remained fairly stable until about 1790 (respectively 8 to 9 % and 10 to 15%) and possibly still remained lower than in Holland for some time thereafter.

At the same time, the table shows that after roughly 1740 the tax burden in the less wealthy province of Overijssel was lower than in Britain. The heavy tax burden in Overijssel in the first decennia of the century can be attributed to declining agricultural prices which curtailed agrarian incomes. This is also documented for other Dutch regions in this period.<sup>22</sup> In the following period of rising prices, the tax burden in provinces with a big agrarian population necessarily declined as long as the Republic abstained from increasing military expenditures.

The dominant position of Holland in the political structure of the federal Dutch Republic thus enabled some Dutch provinces to enjoy the fruits of the population growth and the economic growth they experienced in the second half of the century in the form of a lower tax burden. The realization of a modern unitary state after the revolution of 1795 put an end to this situation.

In the new unified fiscal system, the percentage of income appropriated by taxes in poor Overijssel came closer to the percentage paid in rich Holland. In this way, the tax system in the Dutch state as a whole became more regressive than it had been in the eighteenth century.

#### 4. The distribution of taxes

Table 5 shows the distribution of direct and indirect taxes for Holland and Overijssel and (roughly) similar data for Britain and France taken from the article by Mathias and O'Brien.

Table 5 *The distribution of taxes in Holland, Overijssel, Britain and France in the eighteenth century (in %).*

	Direct taxes			Indirect taxes			Other Revenue			
	Holl.	Ov.	Fra.	Holl.	Ov.	Fra.	Holl.	Ov.	Fra.	
1720	50	67	26	44	26	69	5	7	5	
1728	49			46			5			
1730		60	24	48	28	73	47	17	3	5
1740		57	26	48	32	73	47	11	1	5
1750	55	63	28	40	30	71	6	7	1	
1755			21	46		76	45		3	9
1760		56	26		31	72		13	2	
1770		52	18	50	38	75	45	10	7	
1780		51	21	45	36	73	51	13	7	4
1790		52	17	38	38	75	51	10	8	11
1788-94	50				41			9		
1794		53			37			10		
1800			27	49		65	46		8	15
1807	43	41			51	46		6	12	

Sources: See Appendix A; Mathias & O'Brien, 'Taxation', 622, Table 9.

If these kind of percentages can be considered as an indication of the tax structure, then contrary to what these authors supposed, in the eighteenth century Dutch tax structure resembled the structure in France more than in Britain. However, to reach more meaningful conclusions, more should be known about what these figures include.

Direct taxes for Holland in this table include (the percentages indicate the share of the tax in the total revenue from direct taxes):

- a land and house tax (the *verponding*): 35%;
- taxes on luxuries (like coffee, tea, and coaches and servants) that were levied by assessment (the *Heerenmiddelen*): 4%;
- taxes on farmers for horned cattle, horses, and sowed grounds (the *Bouwmiddelen*): 12%;
- deductions of civil servants' salaries and soldiers' wages: 4%;
- and a tax on the nominal value of government bonds and other stocks levied by reducing the interest payment (the *100e en 200e penningen*): 45%.<sup>23</sup>

In Overijssel there were direct taxes on land and houses, horned cattle, small cattle, horses, servants, hearths, the *contribution*, a poll-tax, and deductions on some salaries.

In Britain the land tax made up 60% of direct taxes around 1760, but only about 11% of total revenue.<sup>24</sup> In Holland the land tax furnished somewhat less (9%) of total revenue, but only accounted for 17% of direct taxes. In Holland other forms of direct taxation were much more important than the land tax. The *100e en 200e penningen* on government bonds and stocks deserve special attention. They were the last remnants of a seventeenth-century tax levied on personal wealth and can be seen as one of the most remarkable elements of the direct taxes in Holland's fiscal system.<sup>25</sup>

Indirect taxes in Holland included excises on the milling of grain, peat and coal, beer, slaughtered cattle, salt and soap, the weighage of goods, the measurement of goods, butter, fuel, building materials, wine, brandy, tobacco, some fruits and some fishes, and the stamp-duty. The most characteristic feature of Dutch excises is the large share of the tax on milling grain (25% of indirect taxes) – a tax which was not levied in Britain and France – and peat and coal (17%). While in England beer and malt were by far the main excises, furnishing 21% of the revenue of indirect taxes, revenues from beer in Holland declined from about 13% to 3% of indirect taxes in the course of the eighteenth century. In France salt and alcoholic beverages were the most important (respectively 25% and 30% of indirect taxes); in Holland these furnished respectively less than 5% and 11%. Indirect taxes also include the part of customs collected in the three admiralties in Holland, which contributed only between 5 and 8% to total revenue in Holland, as opposed to 20 or 25% in Britain.

'Other revenue' consists mainly of legacy duties (*collateraal*) and a tax on the sale of immoveable property (*40e penning*). It also includes taxes on marriages and funerals and unfounded legal suits and the revenue from the domains (13% of 'other revenue').

In Overijssel indirect taxes were levied on brandy, wine, tobacco, beer, milling of grain, slaughtered cattle and some other (much less profitable) items. 'Other revenue' consists of a tax on notarial acts and the revenue from the domains.

A detailed analysis of the similarities and differences in the character of the taxes and their relative weights in the Dutch and British fiscal systems could, of course, offer interesting insights into the structure of both economies and the strength of economic pressure groups in both countries. However, this kind of analysis will not be attempted here. We will restrict ourselves to some more general observations.

### 5. *Taxing the poor and taxing the rich*

On the basis of their figures, Mathias and O'Brien concluded that the tax burden on the rich in England in the eighteenth century was not only low, but declining. Contrary to their expectations, this table does not allow the same conclusion for either Holland or Overijssel. During the entire eighteenth century, direct taxes in both provinces took a much bigger share than in Britain, and the share hardly declined.

At the end of the seventeenth century, about 90% of the indirect tax revenue in Holland came from taxes which might have influenced the prices of primary necessities, while at the end of the eighteenth century this was about 70% – but this was only about 28% of total tax revenue. At the end of the century, about 50% of the indirect taxes in Overijssel came from taxes on the luxury goods tobacco, brandy and wine. About 40% came from the tax on milling, beer and meat, but that only made up about 15% of total revenue. In Britain about 50% of total revenue came from primary necessities at the end of the century. It should also be noted that in Holland important primary food stuffs like peas, beans and (increasingly) potatoes and the so-called thin beers and beers consumed aboard ships were *not* taxed. The same kind of regulations to spare the poor that O'Brien noticed in his 1988 article for Britain were also extant in Holland.<sup>26</sup>

In eighteenth-century Holland a large number of excise taxes were levied and the rates were high. The rate on milling rye, for instance, was fl. 42.50 per *last* in the second half of the eighteenth century, while in the same period rye prices ranged between fl. 84 and fl. 130 per *last*. The rate on wheat was fl. 105 per *last*, while wheat prices varied between fl. 126 and fl. 199 per *last*. In Overijssel the rate was fl. 18 per *last* of rye and fl. 36 per *last* of wheat. But there is evidence that already at the end of the seventeenth century the 'political ceiling' had been reached which impeded a further increase in tax revenue from the excises on primary necessities. There were numerous tax revolts in the period between 1678 and 1750, but despite increases in the rates, revenues did not increase likewise.<sup>27</sup> The revenues of the *gemene middelen* ('common means'; these included excise taxes, *Heerenmiddelen* and *Bouwmiddelen*) in Holland rose from fl. 8.5 million in 1650, to fl. 9.3 million in 1700, and to fl. 11 million in 1790/4. But the revenues from the excises which might have influenced the prices of primary necessities in the same

years amounted to fl. 7.1 million, fl. 6.7 million and fl. 7.3 million. Therefore, the increase was mainly due to a larger number of taxes on luxury items and higher rates.

This means that it is not true, as Wilson supposed in a well-known article, that the growth in the interest burden in the eighteenth century was mainly paid out of excises on primary necessities.<sup>28</sup> In Holland the interest burden was already high in the seventeenth century, but in the eighteenth century it rose dramatically: from about fl. 7 million to about fl. 14 million on a total budget of about fl. 20 million —due to the War of the Spanish Succession (1702-13)— and to fl. 18 million at the end of the century. The same principle that O'Brien detected to his surprise in Britain, namely, that extra taxation tended to come, especially after 1793, from taxes falling upon the incomes and consumption patterns from the rich, is already visible in Holland at the beginning of the eighteenth century. After 1713, primarily direct taxation was increased to finance the growth in expenditures.

#### *6. Taxation in Holland and rentiers' incomes*

In Overijssel the ad hoc increase in tax revenue was as a rule realised by temporarily raising one or several direct taxes by 25, 50 or even 100%. Besides this, between 1711 and 1795 about fl. 6 million was raised by loans and life-annuities.<sup>29</sup>

In Holland taxes on houses were tripled and salaries in the civil service and the army were reduced after 1713. In addition, the tax on bonds was increased. During the war it had been increased from 1% to 2% of the nominal value, which meant a reduction in the nominal interest rate from 4% to 2%, but new loans had been offered tax free and at interest rates even higher than the customary 4%, and with very favourable inducements to attract enough subscribers. Not only were these high interest rates reduced after the war, but the promise of tax exemption was also repudiated!<sup>30</sup> From now on, the so-called 'extraordinary' levies on this kind of property were a regular feature of taxation in Holland. A ceiling to this tax was formulated in 1747. To restore credit, a maximum rate of 1.5% of the nominal value was decided upon.<sup>31</sup>

It may be clear that what I want to argue is that the rich in Holland were more heavily taxed in the eighteenth century than is usually assumed, because the wealth of the growing class of rentiers was taxed. To this it can be added that expenditures in Holland outweighed revenue after the eighties by several million, and that the regents did not hesitate to finance shortages by voluntary loans and, if necessary, by *forced* loans. People possessing property above a certain value were obliged to put a predetermined percentage (mostly 0.5%, 1% or 2%) at the government's disposal. In exchange they received government bonds bearing a more modest interest rate than they probably

would have accepted in the case of a voluntary loan. One objection to the conclusion that in eighteenth-century Holland it was mainly the rich who had to pay for extra expenditures could be that the lower limit beneath which people were not forced to participate in such loans was rather low (usually fl. 2,000), and that there was no progression in the rate. This meant that the tax burden on the middle classes was relatively heavier than on the really rich. With this, I would agree.

Another serious objection could be that much of what the rich in Holland paid in taxes, they got back in the form of interest payments, which in the eighteenth century absorbed more than half of tax revenues in Holland. With this objection, however, we leave the realm of fiscal policy, to which the papers of Mathias and O'Brien were restricted, and enter the wider realm of financial policy. The regents in Holland have been reproached for a financial policy which preferred debt-creation to a further extension of direct taxes and for not having introduced an income tax.<sup>32</sup> It is interesting to know that for this reason the first Dutch Constitution, which came into being after the Batavian Revolution of 1795, explicitly stated that from then on extraordinary expenditures had to be financed as far as possible out of a tax on incomes.<sup>33</sup> It is, however, even more interesting to know that extraordinary expenditures continued to be financed mainly by forced loans. The most decisive reason for this was that the necessary yields would have required tax rates that were politically unfeasible. Pitt's famous income tax in Britain started with a rate of 6.25% in 1799 and was raised to 10% in 1807. In the Netherlands the first tax on incomes was levied in 1797 at a rate of 8%. In 1798 and 1800 there were even income taxes with progressive rates (5–10% and 2–4–7%). But to obtain enough revenue, the Dutch Republic was obliged to continue to combine these taxes with heavy forced loans on property.<sup>34</sup>

### *7. 'Modernity' and the Dutch fiscal system*

O'Brien summarized the political economy of British taxation in the eighteenth century as a fiscal system in which 'excises constituted the very foundation stone' of the state.<sup>35</sup> The foregoing paragraphs have shown that at that time Holland had already surpassed such a stage. The tax burden in the Dutch Republic during the eighteenth century was, at least in Holland, still higher than in Britain, although unlike in France and Britain, tax revenues in constant prices had declined in the course of the century. But contrary to what Mathias and O'Brien supposed, high Dutch tax levels could not be attributed to the fact that the structure of its economy enabled it to draw an even higher share of tax revenue from indirect taxation than Britain.<sup>36</sup>

It might be asked then, if the larger share of direct taxation should be interpreted as a sign of the increased 'modernity' of the Dutch fiscal system,



or as a step backward, which consequently hampered economic development and furthered the possibility of a revolution like in France.

Although a critique of the ancien regime fiscal system was part of the ideology of the Dutch revolutionaries of 1795, it is not certain in how far Dutch taxation constituted a brake on economic development. On the one hand, it is not plausible that the high level of direct taxation frustrated capital accumulation, because, firstly, the domestic interest rate remained low, and, secondly, capital exports grew quickly in the last decennia of the eighteenth century. On the other hand, it is true that the level of indirect taxation, although not rising, was high, and it cannot be precluded that its influence on wage levels or internal demand constituted a disadvantage. But it should be realised that the intentions of the revolutionaries of 1795 to replace the heavy excises on primary necessities by an income tax turned out to be an illusion. As in Great Britain, income taxes remained a temporary affair, and instead of being abolished, after the revolution excise taxes became as heavy in the outer provinces as they had been in Holland during the eighteenth century. Even the famous Finance Minister I.J.A. Gogel, one of the radicals among the revolutionaries of 1795, had to concede that the margins for drastic changes in Holland's fiscal system proved to be very small.

To this it can also be added that even in terms of the efficiency of tax collection, the eighteenth century scored better than the centralized bureaucracy of the nineteenth century. Collection costs in the first half of the nineteenth century are reported to have been 17%, whereas in eighteenth-century Holland they were only 5.5% and taxes in Holland were no longer farmed after the tax revolts of 1748.<sup>37</sup>

Beside this, it is clear that the kind of direct taxes which dominated in Holland during the eighteenth century do not place the Dutch Republic among 'the more traditional societies with their limited range of levies falling mainly upon land and other immovable assets'.<sup>38</sup> The main characteristic of Holland's fiscal system was its readiness to tax not only immovable assets, but also a movable asset like bonds. This can, of course, in a sense be considered a reflection of the structure of Holland's economy, characterized in the eighteenth century by the growth of the financial sector. But perhaps it is more relevant to stress that after the Batavian Revolution of 1795, governments in the Netherlands no longer dared to use this tool of fiscal policy. It would take nearly a century before rentiers' incomes in the Netherlands were taxed again in a modest way.<sup>39</sup>

Although when the Dutch eighteenth-century tax system is compared with the British system it certainly cannot be characterized as backward,<sup>40</sup> this is not enough to label the Dutch system as modern. It could rather be seen as a manifestation of the specific character of the *ancien regime* in the Netherlands: as long as the regents were firmly seated in the saddle they were even ready to tax their own class!

## APPENDIX A

*Sources to Table 1.**Column (2)*

The *Rapport der Commissie tot het Onderzoek naar den Staat der Finantiën van Holland, op den 14 December 1797 ter Vergadering van het Provinciaal Bestuur uitgebragt*, In den Haag ter 's Lands Drukkerij (Den Haag, 1797) contains the results of an admirable and very detailed investigation into expenditures, taxes, loans and debts in Holland for each of the years 1788-94, initiated after the Batavian Revolution of 1795. It has an appendix with the complete versions of four older financial reports: *Rapporten en Memoriën over de Finantiën van Holland. Met de bijlagen tot dezelve behorende, in de Jaren 1678, 1721, 1728 en 1750 resp. uitgebragt ter Vergadering van dezelve Provincie*. These sources are discussed in: W. Fritschy, 'Overheidsfinanciën als uiting van het 'institutioneel onvermogen' van de achttiende-eeuwse Republiek?', *Economisch and Sociaal-Historisch Jaarboek* 48 (1985) 19-48, in particular 20-21; J.M.F. Fritschy, *De patriotten en de financiën van de Bataafse Republiek. Hollands krediet en de smalle marges voor een nieuw beleid (1795-1801)* (The Hague 1988) 58-61. The figures for 1761 were taken from: A.J. van der Meulen, *Studies over het Ministerie van Van de Spiegel* (Leiden 1905) Appendix V.

Like the figures presented by Mathias and O'Brien for Britain, the tax receipts are net receipts, not the gross sums collected from the taxpayers. Whereas the difference in Britain according to Mathias and O'Brien was about 10%, collection costs in Holland are reported — by a very reliable source — to have been about only 5.5% at the end of the eighteenth century. See J.M.F. Fritschy, *De patriotten*, 150-151.

*Column (3)*

While Mathias and O'Brien used a weighted grain price index for France and a cost of living index based on diets of the poor at the end of the eighteenth century for Britain in their 1976 publication and a weighted index of wholesale prices in their 1988 publication, I have used the weighted index constructed by J. de Vries (Berkeley) from prices paid by the Municipal Orphanage of Amsterdam, which were published in: N.W. Posthumus, *Nederlandsche prijsgeschiedenis; vol. II* (Leiden 1964). The index is published in: H. Nusteling, *Welvaart en werkegelegenheid in Amsterdam 1540-1860* (Amsterdam 1985) 260-261. Alternatives for Holland which perhaps come closer to the deflators used by Mathias and O'Brien might have been:

- (a) a bread price index based on regulated bread prices in the towns to be found in: N.W. Posthumus, *De geschiedenis van de Leidsche lakenindustrie* (The Hague 1939) III: 1004, 1082. Regulated bread prices were the same in Leiden, Amsterdam and Alkmaar and probably also in other towns in Holland; cf. L. Noordegraaf, *Levensstandaard en levensmiddelenpolitiek in*

*Alkmaar vanaf het einde van de 16e tot het begin van de 19e eeuw* (Alkmaar 1980) 96;

(b) Posthumus' weighted index of wholesale prices for 44 commodities traded in Amsterdam:

	<u>1675</u>	<u>1720</u>	<u>1728</u>	<u>1750</u>	<u>1761</u>	<u>1788-94</u>	<u>1807</u>
(a)	80	85	82	82	90	107	n.a.
(b)	98	82	85	88	98	123	88

(1700 = 100; the figures are averages for some surrounding years)

Although the differences between the three indexes are embarrassing, the conclusions in this article would not have been different if one of these had been used instead of the De Vries index.

*Column (6)*

The figures without brackets are the estimates to be found in: J.A. Faber *et al.*, 'Population changes and economic developments in the Netherlands; A historical survey', *A.A.G. Bijdragen* 12 (1965) 60; and (for 1795 (793,000) and 1807): E.W. Hofstee, *De demografische ontwikkeling van Nederland in de eerste helft van de negentiende eeuw* (Deventer 1978). Figures within brackets are intrapolations based on a linear trend.

## APPENDIX B

*Sources to Table 4.*1) *'National' income in Holland.*

In an impressive article, J.L. van Zanden summarized in 1987 all existing evidence about economic development in Holland between 1650 and 1805. His findings refuted recent hypotheses (Jan de Vries: sharp decline until 1740 and stagnation thereafter, and J. Riley: growth) and confirmed the older stagnation hypothesis of Joh. de Vries for the period 1700-80, but cast doubt on the supposed sharp decline after 1780. For the level of income per head in Holland he safely takes a wide margin of error of fl. 175 to fl. 250 (based on fiscal sources for 1742 and 1808); cf. J.L. van Zanden, 'De economie van Holland in de periode 1650-1805: groei of achteruitgang? Een overzicht van bronnen, problemen en resultaten', *Bijdragen en Mededelingen betreffende de Geschiedenis der Nederlanden* 102 (1987) 562-609.

Before Van Zanden, Jan de Vries had already shown that a doubling of G. King's estimate for Dutch national income in the last quarter of the seventeenth century of about fl. 90-95 per head seemed warranted; J. de Vries, 'The decline and rise of the Dutch economy, 1675-1900', in: *Technique, spirit and form in the making of modern economies; Essays in honor of William N. Parker* [= *Research in Economic History* 3 (1984)] 149-189, in particular 168.

Agreeing with Van Zanden's argument for stability in total output per head, using both his upper and his lower estimate for income per head and using the same deflator as in the former tables, a series of minimum and maximum income figures for Holland in current prices could be constructed, which allow a rough impression of the part of 'national' income appropriated by taxes. As Van Zanden's estimates are in current money and as the price level in 1808 was exceptionally high and economic circumstances extremely bad, because of the war and Napoleon's Continental System, it did not seem reasonable to extend the period of stability in real income per head to 1808 as Van Zanden seems to suggest. Therefore, in the table Van Zanden's estimates are corrected for prices only for the period until 1790 to get estimates in current money.

2) *'National' income in Overijssel.*

Estimates for the total of incomes earned in Overijssel have to be based on even less evidence. Van Zanden estimated income per head in Overijssel in 1820 to have been 72% of national income, in North Holland 140%, and in South Holland 128%; see J.L. van Zanden, 'Economische groei in Nederland in de negentiende eeuw; Enkele nieuwe resultaten', *Economisch en Sociaal-Historisch Jaarboek* (1987) 51-76, 76, in particular 51-55. Income per head in Overijssel then would have been about 55% of income in Holland, that is

fl. 96 to fl. 138 per head. This seems to make fl. 90 to fl. 140 per head a safe guess for Overijssel in 1820.

Growing revenues per head for the excises on wine, tobacco and meat suggest that Overijssel did not experience economic stagnation in the second half of the eighteenth century. (Revenues per head for these three in 1750/55 were about 80% of revenues per head in 1790.) That is why I estimated per capita income in Overijssel from 1770 onward at 55% and for the years before 1770 at 50% of the income in Holland.

### 3) National income in Britain.

As to British national income around 1700, firstly, Lindert and Williamson have argued that Gregory King's estimate for Britain in 1688 of £ 8.6 (used by Deane and Cole and by Mathias and O'Brien) should be upgraded by about 25%, resulting in £ 10.8 per head in current money. See P.H. Lindert & J.G. Williamson, 'Reinterpreting Britain's social tables, 1688-1913', *Explorations in Economic History* 20 (1983) 94-109; cited in De Vries, 'Decline and rise', 165). Secondly, on the basis of existing differences in wages, De Vries has argued that the Republic's income could have exceeded England's income by two-thirds in about 1700; De Vries, 'Decline and rise', 168. If we estimate the Republic's income per head at fl. 175, that would result in about fl. 105 per head for Britain. Accepting an exchange rate between the guilder and the pound at that time of about fl. 10.00 — see: N.W. Posthumus, *An inquiry into the history of prices in Holland* (Leiden 1946) 595 — an estimate of about £ 10.5 per head for Britain seems possible, which squares reasonably with the aforementioned estimate of Lindert and Williamson. Using Crafts' index for economic growth in Britain (De Vries, 'Decline and rise', 166), intrapolating for missing years, and using the deflator in O'Brien's, 'Political Economy', 3, Table 2, a series of national income figures in current prices in Britain between 1700 and 1800 could be constructed.

To calculate the percentage appropriated by taxes, I used the figures in Mathias and O'Brien, 'Taxation', 605, Table 2 columns 2 and 5, instead of those in O'Brien, 'Political Economy', 3, Table 2, which exclude 'miscellaneous revenues'. If I had used the latter, and if I had used a higher estimate for per capita income in 1700 than £ 10.5, my percentages would, of course, have been still lower than they are now!

O'Brien's shares of national income appropriated by taxation (in his: 'Political economy of taxation', 3, table 2) were as follows (%):

<u>1700</u>	<u>1710</u>	<u>1720</u>	<u>1730</u>	<u>1740</u>	<u>1750</u>	<u>1760</u>	<u>1770</u>	<u>1780</u>	<u>1790</u>	<u>1800</u>	<u>1810</u>
8.8	9.2	10.8	10.7	8.7	10.5	11.5	10.5	11.7	12.3	12.9	18.2

## NOTES

- \* My acknowledgements are due to Ary Burger, Richard Griffiths and Jan Luiten van Zanden who contributed in various ways with their help, and to the members of the editorial board for their careful reading and their remarks.
1. P. Mathias and P. O'Brien, 'Taxation in Britain and France, 1715-1810; A comparison of the social and economic incidence of taxes collected for the central governments', *Journal of European Economic History* 5 (1976) 601-650.
  2. P.K. O'Brien, 'The political economy of British taxation, 1660-1815', *Economic History Review*, 41 (1988) 1-32, in particular 4.
  3. In a reply in 1978 to McCloskey, who had doubted if a relatively higher return on indirect taxes could with any certainty be interpreted as a heavier burden for the poor, Mathias and O'Brien pointed to the lack of correlation between variations in wage rates and the incidence of taxation and to the limited price elasticity of demand for a — heavily taxed — vital item of mass consumption like beer. D.N. McCloskey, 'A mismeasurement of the incidence of taxation in Britain and France, 1715-1810', *Journal of European Economic History* 7 (1978) 209-210; P. Mathias and P.K. O'Brien, 'The incidence of taxes and the burden of proof', *Journal of European Economic History* 7 (1978) 211-213.
  4. O'Brien, 'Political economy of taxation', 27.
  5. *Ibidem*, 10.
  6. *Ibidem*, 3 and 5.
  7. A. Smith, *An inquiry into the nature and causes of the wealth of nations* (1776) [as edited by J.S. Nicholson] (London 1884) 382.
  8. W. Fritschy, 'Overheidsfinancien als uiting van het 'institutioneel onvermogen' van de achttiende-eeuwse Republiek?', *Economisch en Sociaal-Historisch Jaarboek* 48 (1985) 19-47.
  9. This means that, like in their paper, no account was taken of local taxation. The following figures, however, indicate that — even in a region so notorious for its taxes as Holland — the extra weight of local taxation probably was not excessive. The revenue from local taxation in Amsterdam between 1774 and 1793 was about fl. 1.47 million per year. (National Archives at The Hague (hereafter ARA): Collection Gogel, vol. 168, 'Rapport van het Comitté der Finantie van de municipaliteit der stad Amsterdam'.) Besides this, we know that in the middle of the century Amsterdam had to furnish 38% of provincial taxation; see: *Memorie ofte Verhandeling van het geen omtrent het stuk van de Finantie van de provincie van Holland en West Vriesland van tijd tot tijd is voorgevallen, en in wat toestand dezelve zich bijzonderlijk in 1755 bevindt etc.* in: ARA: Financien van Holland, vol. 797. Total revenue from local taxation in Holland, therefore, might have been no more than about fl. 3.9 million, which is only about 16% of the amount of provincial taxation (fl. 24.2 million, see Table 1). The percentage of income appropriated by taxes — estimated at 10 to 14% in Table 4 — therefore, might have been 11.6 to 16.2% if local taxation had been included. Results with the same order of magnitude were reached by De Muinck in a totally different way for the period around 1700. According to him, local taxation appropriated about 1 to 2% of income, local and provincial taxation combined about 15 to 16%; B.E. de Muinck, *Een regenthuishouding omstreeks 1700; Gegevens uit de privéhuishouding van Mr. Cornelis de Jonge van Ellemeet, Ontvanger-Generaal der Verenigde Nederlanden (1640-1721)* (The Hague 1965) 320.

10. O'Brien & Mathias, 'Taxation', Tables 1 and 2.
11. One other region in the Dutch Republic for which research results in financial history are available, the 'Meijerij' in North Brabant, offers comparable figures. Between 1725 and 1790 tax revenue there increased from fl. 400,000 to fl. 450,000, an increase of only 12.5% (after a decline from fl. 510,000 in 1720 and to fl. 360,000 in 1730), notwithstanding a population growth in the same period in North Brabant of about 30%. See A.C.M. Kappelhof, *De belastingheffing in de Meijerij van Den Bosch gedurende de Generaliteitsperiode (1648-1730)* (Tilburg 1986) 392-394; P.M.M. Klep, *Bevolking en arbeid in transformatie; Een onderzoek in Brabant, 1700-1900* (Nijmegen 1981) 33.
12. See also J.A. Aalbers, 'Holland's financial problems (1713-1733) and the wars against Louis XIV' in: A.C. Duke & C.A. Tamse, eds, *Britain and the Netherland VI* (The Hague 1977) 79-93.
13. See J.M.F. Fritschy, *De patriotten en de financiën van de Bataafse Republiek. Hollands krediet en de smalle marges voor een nieuw beleid (1795-1801)* (The Hague 1988) 63 (Table 2.2), 64.
14. O'Brien & Mathias, 'Taxation', 607.
15. P.K. O'Brien & C. Keyder, *Economic growth in Britain and France, 1780-1914* (London 1978). J.C. Riley offers a summary of the evidence in his book *The Seven Years War and the old regime in France* (Princeton 1986) 13-23. Cf. E.N. White, 'Was there a solution to the Ancien Régime's financial dilemma?', *Journal of Economic History* 49 (1989) 545-568, in particular 546.
16. N.F.R. Crafts, 'British economic growth, 1700-1831', *Economic History Review* 36 (1983) 177-199; C. Knick Harley, 'British industrialization before 1841; Evidence of slower growth during the Industrial Revolution', *Journal of Economic History* 42 (1982). A summary is offered by J. de Vries in his 'The decline and rise of the Dutch economy, 1675-1900', in: *Technique, spirit and form in the making of modern economies: Essays in honor of William N. Parker* [= *Research in Economic History* 3 (1984)] 149-189, in particular 165-168. In his 1988 article, O'Brien used Crafts' revised trend of growth rates, but he still stuck to Cole's relatively low estimate for the years around 1700. This means that his percentages tend to be on the high side. O'Brien, 'Political economy of taxation', 3, Table 2.
17. It should be noted, however, that this conclusion becomes less firm if the proposed revision of national income estimates for Britain is not accepted, and if O'Brien's percentages are preferred, which are already higher from 1760 onward than the minimum percentages for Holland. For O'Brien's figures see Appendix B.
18. De Vries 'Decline and rise'; J.L. van Zanden, 'De economie van Holland in de periode 1650-1805: groei of achteruitgang? Een overzicht van bronnen, problemen en resultaten', *Bijdragen en Mededelingen betreffende de Geschiedenis der Nederlanden* 102 (1987) 562-609.
19. Tax revenue per head in France in guilders was only about fl. 6.30, as opposed to fl. 20.90 in Great Britain and fl. 34.00 in Holland (all in current prices). Figures for 1790 in 1750 prices would have been: France fl. 4.80, Britain fl. 13.20, and Holland fl. 23.50.
20. See A.T. Peacock & J. Wiseman, *The growth of public expenditure in the United Kingdom* (London 1967) xxxiv.
21. O'Brien, 'Political economy', 6-7.

22. J. Bieleman, *Boeren op het Drentse zand 1600-1910; Een nieuwe visie op de 'oude' landbouw* (Wageningen, 1987) 172-179; J.A. Faber, *Drie eeuwen Friesland; Economische en sociale ontwikkelingen van 1500 tot 1800* (Wageningen, 1972) I, 141-144; Kappelhof, *Belastingheffing in de Meijerij*, 341-343, 381; S.W. Versteegen, *Gegoede ingezetenen; Jonkers en geërfden op de Veluwe tijdens Ancien Regime, Revolutie en Restauratie* (Zutphen 1990) 35-37, 62.
23. Fritschy, *Patriotten en financiën*, 296 (Appendix A).
24. The percentages for Britain were taken from O'Brien, 'Political economy', 11, Table 5.
25. Fritschy, *Patriotten en financiën*, 134.
26. O'Brien, 'Political economy of taxation', 12-13.
27. Tax revolts in: R.M. Dekker, *Holland in beroering; Oproeren in de 17de en 18de eeuw* (Baarn 1982); J.A.F. de Jongste, *Onrust aan het Spaarne; Haarlem in de jaren 1747-1751* (The Hague 1984).
28. Ch. Wilson, 'Taxation and the decline of empires, an unfashionable theme', *Bijdragen en Mededelingen van het Historisch Genootschap* 77 (1963) 10-23, in particular 18.
29. National Archives of Overijssel: *Statenarchief*, calculations from vol. 1877.
30. ARA: Financien van Holland, vol. 797, 'Memorie'. This source is discussed in: Fritschy, *Patriotten en financiën*, 251, note 106.
31. It has been argued that this means that government also could have issued loans at an interest rate of 2.5%, and that a more realistic picture of public expenditures in Holland would be offered by reducing tax revenues and the interest burden with the amounts of the receipts of this tax; M. Prak in his review of Fritschy, *Patriotten en financiën* in: *Tijdschrift voor Sociale Geschiedenis* 15 (1989) 417-419 and M. Prak, 'Staat en kapitaal tijdens de Republiek', *Tijdschrift voor Sociale Geschiedenis* 16 (1990) 88-90. Although it is true that the market rate of interest in Holland was less than 4%, it should not be forgotten that government loans tended to be issued under conditions in which risk premiums were high and that voluntary loans at 2.5% definitely would have failed. It is well-known that Holland's debt grew from about fl. 300 million after the Spanish War of Succession to about fl. 450 million in 1795. It is less well-known that this increase was for a large part the result of lottery loans (with very unfavourable conditions for the government) and for an even larger part of forced loans. An extreme example is the forced loan at 4% in 1788 on those owning more than fl. 2,500 of property, which resulted in an extra revenue of about fl. 54 million. Even if the *100e en 200e penningen* had been excluded, this would not have invalidated my conclusion about the difference in tax structure between Britain and Holland. The percentages of indirect taxes then would become as follows: 1720: 56%; 1728: 46%; 1750: 51%; and 1788-94: 53%. These percentages are still much lower than the British percentages in Table 5.
32. J.J. de Jong, *Met goed fatsoen; De elite in een Hollandse stad Gouda 1700-1780* (The Hague 1985) 108; L. Kooijmans, *Onder regenten; De elite in een Hollandse stad Hoorn 1700-1780* (The Hague 1985) 212.
33. Art. 209. See Fritschy, *Patriotten en financiën*, 170.
34. *Ibidem*, ch. 5.
35. O'Brien, 'Political economy', 28.
36. Mathias & O'Brien, 'Taxation', 640.



37. See Appendix A and note 26 above.
38. O'Brien, 'Political economy of taxation', 4.
39. Like in most other countries, an income tax was definitively introduced in the Netherlands only at the end of the nineteenth century. The maximum rate for income out of stocks with an interest of 4% was 5%. *De 100e en 200e penningen* had been a source-tax of 37.5%! Fritschy, *Patriotten en financiën*, 134.
40. I have more extensively argued elsewhere that in the course of the eighteenth century the structure of public finance in Britain gradually acquired the characteristics which Holland's public finance already displayed at the beginning of the eighteenth century; Fritschy, 'Institutioneel onvermogen'.



## IV

### THE SIZE AND STRUCTURE OF THE DUTCH SERVICE SECTOR IN INTERNATIONAL PERSPECTIVE, 1850-1914\*

by

*Jan Pieter Smits*

The economic development of the Netherlands in the nineteenth century has for a long time attracted much attention from economic historians.<sup>1</sup> However, despite the large volume of literature on this subject, it is still unclear in which periods growth occurred and in which sectors this growth was concentrated. One of the reasons why no statements can be made about the pattern of growth is that the development of the service sector has never been examined.

In this article, the development of the size and structure of the service sector in the period 1850-1914 is analyzed and placed in an international comparative framework. In the first section an overview is presented of models which attempt to explain sectoral changes in the economy and the role of the service sector in such processes. In many respects, the Netherlands appears to have undergone a development which deviated in many essential aspects from the pattern described in the prevailing economic models. The extent to which a large service sector can impede or stimulate the growth of the economy at large will also be examined. The structure of the service industries is analyzed using the censuses of occupations. Before turning to the analysis of the data, some critical remarks regarding the source material are made in the second section. Subsequently, the development of the Dutch service sector is put in an international perspective in the third section. Both the size and structure of service employment differed greatly from other European countries. Finally, in the fourth section, an attempt is made to explain these developments, thereby relating them to the theories described in the first section.

The main reason for the gap in our knowledge of the service sector is of a theoretical and methodological nature. The debate on economic development in the nineteenth century has for a long time been obscured by the interpretation of 'industrialization' and 'economic development' as synonyms, while colleagues abroad became increasingly convinced that

industry did not necessarily have to act as the 'draught horse' of the economy.<sup>2</sup> Agriculture and services could have a stimulating effect on economic development as well. This last notion has also taken root in the theoretical (economic) literature regarding the role of the service sector in the process of economic development. Before turning to these new insights, a close look will have to be taken at the traditional 'sectoral model' as developed by A.G.B. Fisher and C. Clark in the thirties.<sup>3</sup>

This model assumes that as technology progresses, the centre of the labour force shifts from agriculture through industry to the service sector. Sectoral differences in labour productivity are assumed to provide an explanation for this development. In the first phase, productivity in agriculture increases due to several technological and organizational innovations. This process is accompanied by intra-regional specialization, particularly in agricultural activities, and the rise and further development of trade between regions, while at the same time investments in transport facilities increase steadily. Both as a consequence of the growing productivity of labour in the primary sector and of a sharp rise in population, more and more manpower can be diverted to industry. When, due to the industrial revolution, output per worker increases in this sector as well, the service industries can absorb the surplus of labour which thus comes into being, all the more so because services are labour-intensive by nature.

Serious points of criticism can be leveled against this 'sectoral model'. Firstly, it is striking that, on the basis of extensive empirical research, Kuznets concludes that labour productivity in the service sector is higher than in the industrial sector. He reaches this conclusion by comparing the level of income in industry and services. However, it is questionable whether the relationship between incomes and productivity is as strong as Kuznets supposes. Secondly, Gershuny and Miles point out the internal inconsistency of the 'sectoral model'.<sup>4</sup> The relatively slow increase in labour productivity in services would cause prices in the service sector to rise more quickly than in other sectors, necessarily resulting in a decline in the demand for services!

Therefore, Gershuny and Miles make a distinction between 'final services' — directly provided to the consumer — and 'intermediate services' — supplied to enterprise.<sup>5</sup> They do indeed find a comparatively low increase in productivity in 'final services': this development is nevertheless amply offset by the strong growth of 'intermediate services', which mainly consist of trade and transport, as well as banking and insurance. Gershuny and Miles therefore attribute a more dynamic role to the service sector than was customary until then. The concept of services was only too often implicitly narrowed down to 'final services'.<sup>6</sup>

Not until the beginning of the 1980s did Griffiths argue in favour of approaching the economic development of the Netherlands from a completely different point of view.<sup>7</sup> He focuses his attention not on the question of why the degree of industrialization was so low, but on how the

Netherlands could develop some form of industrial development in the nineteenth century, despite the extremely unfavourable conditions, such as a lack of natural resources and a deficient infrastructure in many parts of the country. Thus, he reverses the main question in the debate. Griffiths opposes the idea that every Western country should automatically follow the 'British' model of economic development, which emphasises the growth of large-scale industry. Recent calculations show that the Dutch economy actually experienced substantial growth in the nineteenth century, despite the fact that a strong industrial development failed to materialize. It is therefore useful to analyze the Dutch situation with Gerschenkron's theory, as Griffiths has done.

He observes that although compared to its neighbouring countries the Netherlands went through an industrial spurt at a late stage — about 1895 — the economy was highly developed. This is apparent from the high per capita income and the relatively small size of the agricultural sector. When the six propositions of Gerschenkron regarding 'relative backwardness' are tested, three theses are confirmed and the remaining ones are repudiated. Griffiths attributes this to the ambiguous character of the concept of 'relative backwardness', which contains the element of 'lagging behind' as well as of 'backwardness' itself.<sup>8</sup> The Netherlands was 'unique' inasmuch as that the industrial lag did not imply that modern economic development failed to occur. According to Griffiths, the Netherlands was therefore not 'backward', but at most lagged behind in certain fields — for instance, industry. Even when looking at the Dutch economy in the light of the theory of small countries of Kuznets and Saul, Dutch economic structure is found to show 'different' characteristics. There does not appear to have been a one-sided structure of production and exports, which distinguishes a small-scale economy according to this theory.<sup>9</sup>

It is established that the economic development of the Netherlands deviated at certain points from the pattern described in the prevailing models in economic history. How can this be explained? Tentative estimates of production and income show that especially parts of the tertiary sector made a significant contribution to economic development since at least 1830.<sup>10</sup> This is not strange, considering that trade and transport were the pillars on which the economy of the United Provinces rested in the seventeenth and eighteenth centuries. In a period during which the Dutch industrial sector was far from highly developed, our country had a higher per capita income than Great Britain. Further research into the functioning of the service sector may, therefore, produce a deeper insight into the 'deviating' nature of the economic development of the Netherlands.

### 1. *Remarks on the use of occupational censuses*

Structural changes in the economy — especially the contribution of the various sectors to economic development — can best be analyzed using data of sectoral production and income. Since historical national accounting is still in its infancy in the Netherlands, we will have to resort to a different method. Research into the development of the occupational structure appears to be a good alternative. After all, the censuses of occupations can be used to examine to what extent the service sector contributed to the total labour force and how the occupational groups in services were represented.

As the service sector includes a large number of greatly differing activities, it is complicated to define the concept. Usually a formulation is given by assuming that services comprise everything taking place outside of the agricultural and industrial sectors. O'Brien considers the fact that services cannot be weighed, measured or stored as the fundamental difference with the production of goods. On the basis of this, he arrives at a definition of the concept of a service, namely, 'something which satisfies demand, which adheres not to goods but to producers and which disappears at the moment of production'.<sup>11</sup>

Although there are arguments to examine the service sector as a whole, in the analysis attention does have to be paid to distinctions between the various subcategories. Moreover, it should be pointed out that in practice the boundary between services and other economic activities cannot easily be determined. For example, no fundamental distinction can be made between the food industry and trade: a baker both produces and distributes his goods, only the length of time spent on each activity or the expenses incurred can serve as standards of classification.

On the basis of the occupation censuses of 1849, 1859, 1889, 1899 and 1909, the structure of service employment can be analyzed. Unfortunately, the censuses of 1869 and 1879 did not include either an occupational or an industrial census. It does not appear to be possible to fill this gap — *i.e.*, at a national level — using alternative sources.

As regards the reliability of the results of the various censuses, the following remark can be made. Particularly in 1849 and 1859, problems arose in the collection and processing of the basic material. Among other things, part of the results for the province of South Holland is missing in the published data of 1859, and in the census of 1849, the aggregate of the provincial numbers sometimes deviates a few percent from the national figure. However, in later censuses incomplete or incorrect forms were sent back, which helped to increase the reliability of the occupational censuses.

In research into changes in the structure of employment not only should the reliability of the source material be checked, but close attention should also be given to the possibility of making the occupational classification of the various censuses comparable. In this respect, three problems require attention:

- (1) The difference between the occupational and industrial classifications.<sup>12</sup> In the censuses of 1849, 1859 and 1889, only the occupational classification was used. In 1899, only the industrial component was included, whereas in the census of 1909 both criteria were used. Since the occupational classification is of primary interest, the census of 1899 merely had to be 'refashioned' into a census of occupations. To this end the ratios of 1909 were applied.
- (2) In the censuses of 1849 and 1859, both interviewees and interviewers took insufficient notice of the regulation to specify the nature of the occupation as much as possible. Frequently, very vague descriptions such as labourer or worker were given. As far as 'workers' and 'day labourers' in the countryside are concerned, these can be mainly counted among agriculture. The comparatively large size of such categories in the urban areas does not have to be contrary to reality: many workers earned a living doing casual labour.
- (3) In the two oldest censuses some categories have been included in which the stated occupations definitely do not belong in the same occupational group. Domestic services, cleaning and the clothing industry are, for instance, lumped together. To overcome this problem, De Jonge's numbers for domestic services — derived from personal taxation — were used. This causes the total number of people working in the service sector in 1849 and 1859 to be slightly underestimated, for cleaning is left aside. Despite the shortcomings attached to the results of the occupational censuses, it can be argued that this source is suitable to analyze structural changes in the economy, all the more, since, to cite De Jonge, this source 'sufficiently fulfils the condition of internal consistency'.<sup>13</sup>

## *2. Dutch services in international comparison*

From the literature the view emerges that the Dutch economy underwent a 'unique' development in the nineteenth century. Can this be found in the development of the structure of the working population? Which part does the service sector play in the structural transformation of the economy?

When the size of the Dutch service sector is compared with that of other countries, it is found that until 1914 the share of the working population employed in services was larger in the Netherlands than in any other country, although some countries reduced their 'tertiary lag' to the Netherlands after 1900 (Appendix, Table B).<sup>14</sup> In this respect, particularly Denmark and Norway, but also countries that had a large industrial sector, such as the United Kingdom and Belgium, should be considered.

In addition to the relative size of the service industries, attention can also be paid to the way in which the working population was divided over the various economic sectors during the period 1850-1914. A large number of

countries — such as Great Britain, Germany and Belgium — followed the 'sectoral model', while some smaller countries like the Netherlands, Denmark and Norway underwent a unique development. The Netherlands was distinguished from other 'unique' countries by the fact that already at an early stage agriculture made a small contribution to the total working population (Appendix, Table C). While in 1900 the share of agriculture in most 'deviating' countries was 40 to 70%, in the Netherlands this sector accounted for only 31%. In this respect, the Netherlands bore more resemblance to a highly industrialized country: in Belgium and Great Britain the share of agriculture was 27% and 9% (!) respectively. Amongst the countries that followed a 'deviating' pattern of development, the Netherlands therefore occupied a special place.

Van Dijk and Versteegen have tried to compare the development of the Dutch work force with that of a 'normally' developing country, namely, Germany.<sup>15</sup> In their opinion, the size of the service sector in the Netherlands was basically not as large as is often assumed. Van Dijk and Versteegen attribute this large size mainly to the fact that in the Netherlands fewer women were active in the labour market.<sup>16</sup> In case they had been more active, they would have been employed in industry like their female German colleagues. If an equal percentage of women 16 to 65 years of age had been employed in the Netherlands and in Germany, the industrial sector in the Netherlands would not have been much smaller than the service sector. It is in itself peculiar to assume that the occupational structure in the Netherlands would develop in the same way as in Germany. Since Van Dijk and Versteegen have produced no evidence to support their presupposition, it cannot be confirmed as yet.

A second point to which Van Dijk and Versteegen give special attention is the alleged 'traditional' character of the Dutch service sector. Not so much the large size of the service industries, but their 'traditional' character in connection with a relatively high standard of living determined the unique character of the Dutch economic structure.<sup>17</sup> Besides the fact that the authors do not specify on which theoretical grounds a service is considered 'modern' or 'traditional', this hypothesis does not seem to hold true for the period before the First World War. Trade, transport, banking and insurance, and the professions made a larger contribution to the service sector before 1914 than was the case in Germany. But the 'traditional' domestic services (notably domestic personnel) decreased slower in the Netherlands than in Germany. Yet, not until the interwar years did the share of this category become considerably larger in the Netherlands. Therefore, it is safe to say that in the period 1850–1914, the Dutch service sector cannot be characterized as 'traditional'.

When the structure of the Dutch service industries is analyzed, it turns out that in the course of the nineteenth and twentieth centuries, the centre of services moved from personal (mainly domestic) services, through producer



and distributive services (trade, transport, banking and insurance, and the professions), to social services (government, education, medical and other social services). On the basis of material collected by Mitchell, it can be argued that trade, transport, and finance were already highly developed in the Netherlands at an early stage. Also, in later periods, Dutch services seemed to develop differently. Therefore, the question arises to what extent other countries followed the 'Dutch pattern' — characterized by the shift of the centre in the service sector described above — with some delay or underwent a completely different process of development.

Around 1850 producer and distributive services were more strongly represented in the Netherlands than in any other country (accounting for 11% of the work force; Appendix, Table D). It is interesting to examine to what extent the remaining part of the service sector can be ascribed to more 'traditional' (domestic) services or to the government and related activities. Unfortunately, data concerning the occupational structure are rather scanty around 1850, allowing only rough statements on the structure of the service industries in this period. On the basis of Mitchell's figures — supplemented by data taken from Kuznets — a comparison of the Dutch, British, and American occupational structures shows that the proportion of 'personal' services and 'government' in the total working population in the Netherlands was not significantly larger than elsewhere. Thus, the large size of the Dutch service sector can be attributed mainly to trade and transport.

But personal services are found to be under-represented in the Netherlands when the share of this category in the service sector is calculated. Producer and distributive services accounted for 38%, personal services for 48%, and the government for 14%. These figures clearly show the different structure of Dutch services in this period: in the United Kingdom and the United States personal services constituted as much as 60-70% of service employment. Only in the interwar years did some countries surpass the Netherlands with respect to producer and distributive services.

On the basis of processed data, the Dutch and German service sectors can be compared in detail.<sup>18</sup> As was shown above, the main differences between the occupational structures are a consequence of the large number of people employed in trade in the Netherlands. The share of this occupational group increased from 11.0 to 13.6% of the total working population in the Netherlands in the period 1910-1960, as opposed to 4.8 and 12.2% respectively in Germany. In the course of this period, the Netherlands took a slight lead in the field of social services (i.e., government, education, medical and other social services), and this can mainly be attributed to education. Van Dijk en Verstegen do not merely explain this development from the high per capita income in the Netherlands, but also from the compartmentalized nature of Dutch society which encouraged the growth of the educational and medical professions. It is striking that the size of the German and Dutch public sector (excluding the military) hardly differs. In

both countries personal services rapidly decreased in size, and in 1960 they reached a level of 6-7% of the total labour force.

During the period 1910-1970, the difference between the occupational structures of the Netherlands and Germany virtually disappeared. In 1970 the share of most occupational groups in total employment was almost the same in both countries. When other countries are introduced into the analysis, this development can also be observed. In the Western World, in 1970, the service sector accounted for an average share of 45-55% of the working population. The difference in size of the service industries in the various countries is nowadays much less than around 1850, while in an increasing number of countries the structure of this sector began to show similar features in the period after the Second World War. The contribution of producer and distributive services to the tertiary sector in most countries amounts to 25-30%. Also in this case, the variation between countries has diminished.

From the above it can be concluded, both for countries that followed the 'sectoral model' in the nineteenth century and for countries that underwent a 'different' development — characterized by a significant growth of services — that in the second half of the twentieth century the service sector accounts for by far the biggest part of employment. It appears that differences between the occupational structures of the various countries have diminished in modern times. Therefore, it does not seem to be useful to argue — as Sabolo has done — that if a country has a large service sector at an early point in time, this is a sign that the country in question occupies a place between the Third World and the highly industrialized countries.<sup>19</sup> In fact, the large size of the Dutch service industries in the nineteenth century could largely be attributed to trade, transport, and finance, which generally speaking did not show rapid growth until half a century later in the rest of the Western World.

### *3. Explanatory factors in the size and structure of service employment*

In the previous section it was found that around 1850 the Netherlands had a surprisingly large and 'uniquely' structured service sector. Therefore, in this section the development of the occupational structure of the service industries in the second half of the nineteenth century is examined in greater depth. The factors that were primarily responsible for the developments that are observed will also be worked out, and the role of trade and transport will receive particular attention.

Table 1 *Average annual growth of the labour force in the service sector and the economy at large, 1849-1909 (in %).*

	1849-1889	1889-1909	1849-1909
Service sector	+ 1.1	+ 2.1	+ 1.5
Entire economy	+ 0.7	+ 1.6	+ 1.0

In the period 1850-1914, the working population in services in the Netherlands experienced a large growth from 369,312 in 1849 to 884,293 in 1909. The service sector, therefore, increased by an annual average of 1.5% in this period, whereas this growth percentage was 0.5% lower for the economy at large (Table 1). The strong growth of services led the share of this sector in total employment to increase from 29.5% in 1849 to 39.1% in 1909.

If the occupational structure of the service sector around 1850 is analyzed, it appears that domestic services (37.4% of tertiary employment) predominated. Other large categories were trade (22.0%), transport (14.6%), and the military (10.3%). However, in the course of the period under investigation, this structure underwent considerable changes (Appendix, Table A). In order to describe these changes as clearly as possible, the service occupations have been arranged according to Singelmann's classification in Table 2.<sup>20</sup>

Table 2 *Share of the various categories in the service sector (excluding the military) in 1849, 1889, and 1909 (in %).*

	1849	1889	1909
Personal services	51.2	41.3	42.6
of which domestic	41.7	29.7	27.0
Producer and distributive	41.0	48.8	46.4
Social services	7.8	10.3	11.0
of which civil service	4.1	4.5	5.1

Table 2 clearly shows the drastic structural alterations the service sector went through until 1889. The contribution of personal services (notably domestic personnel) decreased substantially, while producer and distributive services as well as — although to a lesser degree — social services grew. In the years between 1889 and 1909, less startling changes occurred in the occupational structure. In particular, the share of trade decreased somewhat, while social and personal services (excluding domestic personnel) increased slightly. In the early years — until around 1890 — mainly domestic services

determined the character of the service sector, but in later years the composition of the service industries was more varied. In this period transport was the main 'carrier' of growth. Furthermore, small occupational groups such as education, medical and social services, administrative employees and the category of art, science, and entertainment increasingly expanded.

In recent literature concerning the development of services it is argued that the growth of this sector takes place particularly in the 'intermediate producer services', that is, services rendered to the business community. This mainly involves trade, transport, banking and insurance. These sectors are often regarded as the driving force of the process of 'modern economic growth', and they have an important strategic function in economic life. In answering the question of how to explain the large size of these forms of services, attention is chiefly paid to trade and transport. Banking and insurance are left aside, because this sector is of small importance as regards the number of employees (0.2 to 0.9% of service employment).

The strong development of trade and transport around 1850 can be explained especially by the advanced nature of Dutch agriculture, which was a result of the high degree of specialisation linked to a high level of productivity.<sup>21</sup> Due to this, at a very early stage labour could be shifted to other sectors, in the Dutch case, the service sector. This process was reinforced by demographic developments. As a consequence of a rise in the fertility rate and a decline in the death rate, the size of the (working) population increased sharply, which in turn strengthened the process of urbanization. Because of regional specialisation in agricultural and industrial activities, the need for the rise and further development of interregional trade and transport arose.

In addition to these factors, the large number of employees in trade and transport can to some extent be ascribed to the shipping industry, international river shipping, and foreign trade, which were already highly developed in the seventeenth and eighteenth centuries. The share of these internationally oriented services in the total labour force of trade and transport must, however, not be exaggerated. For instance, the number of foreign merchants was small compared to traders directed at the internal market, owing to a high level of productivity in this sector.

Because institutional and physical hindrances to growth were removed slowly but surely, particularly in the period 1850-1880, enterprises could expand their markets mainly on account of improvements in the infrastructure and transportation.<sup>22</sup> Especially transport experienced considerable growth due to these developments. The contribution of this sector to service employment increased from 14.6% in 1849 to 20.6% in 1889. Subsequently, the relative size of this sector underwent no substantial changes in the years before the First World War. During the entire period 1850-1914, trade accounted for approximately 20%.

Obviously, traders should not as a matter of course be considered 'intermediate' services. Shopkeepers, for example, provided their services directly to the consumer, so that theirs was a 'final' service. Such economic activities are usually assumed to be largely dependent upon the purchasing power of the population. Although no systematic research has been done into the development of wages and the standard of living in the Netherlands, it can be argued that the wage rigidity was broken through around 1850 and that in the second half of the 1870s considerable wage increases were realized<sup>23</sup>, which will undoubtedly have effected the volume and value of domestic retail trade. Unfortunately, it is not possible to make the conceptual distinction between 'intermediate' and 'final' services in trade and transport on the basis of the occupational censuses; consequently, no statements can be made regarding the extent to which both categories contributed to the large size of distributive services in the Netherlands.

Insofar as other 'final' services are concerned, the literature argues that they initially experienced considerable expansion. For the beginning of the nineteenth century, mainly domestic services and religion should be considered. Particularly domestic services were of great importance around the middle of the nineteenth century. They accounted for as much as 37.4% of service employment, while other activities that were directly aimed at the consumer were not as highly developed at that time.

However, in the course of the period 1850-1914, the relative size of domestic services decreased rapidly. Some other occupational groups, such as teachers and doctors, experienced substantial growth in this period, which was mainly caused by a rise in the standard of living after the seventies. In the development of medical and other social services, the ascendancy of the 'modern cultural pattern' was a major influence, while increasing urbanization led to growth in cleaning services and the judicial system. In addition to this, in comparison with other countries, teachers seemed to have been over-represented due to the 'compartmentalized' nature of Dutch society.

Since the aforementioned forms of services were generally characterized by a low level of labour productivity, prices rose to such an extent that at a certain point consumption of these services declined. Especially in the field of domestic services, many consumers started to fulfil service functions in their households after the First World War. This was further stimulated when washing machines, vacuum cleaners, and so forth came within the reach of the general public.

The declining share of the aforementioned 'final services' was however in part counterbalanced by the rapid growth of the government and other forms of collective services since the end of the nineteenth century. The development of these occupational groups was not dominated by mechanisms of price elasticity as much as by the services described above: in these categories a substantial growth occurred, which could be attributed to the internal dynamics of the process of bureaucratization.

#### 4. Conclusion

The relative size of the Dutch service industries is found to have been larger than in any other country in the period 1850-1914. How can this phenomenon be explained and what were its consequences for the performance of the economy?

For a long time economists assumed that the service sector did not play a dynamic part in the process of economic development. After all, growth in this sector largely took place as a result of an increase in productivity in the agricultural and industrial sectors. Services — characterized by a low level of productivity — merely acted as a 'reservoir' that absorbed the surplus of labour arising elsewhere in the economy.

However, in the course of time, this proposition proved to be untenable. Large parts of trade, transport and banking were highly productive. In addition, low productivity in services should at some stage lead to a relative rise in prices which could check the growth of this sector in relation to agriculture and industry. Yet, no such development took place in the Western World. The contribution of the service sector to Gross National Product even boomed during the nineteenth and twentieth centuries.

Research into the economic development of the Netherlands in the nineteenth century shows that the entire economy grew at an average annual rate of 1.2% per capita, although services provided approximately 30 to 40% of total employment in the period 1850-1914. This growth percentage is in line with that of countries located near the Netherlands. By means of a case study of how the service sector in the Netherlands functioned, models concerning the role of services in the process of economic development can be tested and, if necessary, adjusted.

An analysis of the development of the various branches of services in an international perspective clearly shows in which respect the occupational structure of the Dutch service sector differed from that of other European countries. The strong development of services around 1850 can — at least with regard to employment — largely be attributed to trade and transport. In the Netherlands the share of these distributive services around 1850 (ca. 10% of the labour force) was larger than in any other country. For instance, trade and transport in Belgium, France and Great Britain were not this large until around 1890.

The development of these distributive services should not simply be regarded as a derivative of the industrial development in one country. It is quite possible — most certainly in the Dutch case — that already at an early stage tertiary enterprises concentrated on foreign markets. Griffiths, for example, points out that these enterprises developed into separate 'export specialisms' in the nineteenth century.<sup>24</sup> Long before a process of industrialization took place, large-scale re-exportation of colonial products, a lively transit trade, commission selling and international services in the field

of banking and insurance existed in the Netherlands. This comprises the main limitation of the 'sectoral model', which passes by the possibility that certain forms of services could display strong growth as a consequence of developments in the world market. It should however be borne in mind that productivity in international trade and transport were high. Although these forms of services contributed as much as 25-30% of total service production<sup>25</sup>, comparatively few people were employed in these sectors. Export oriented activities therefore provide an insufficient explanation for the large size of the working population in trade and transport.

Consequently, the question arises why domestic trade and transport in the Netherlands were already highly developed at an early stage, despite the fact that the degree of industrialisation was not high. An important explanation concerns the development of the agricultural sector. Already around 1500 agriculture in the coastal provinces was highly specialised and was characterized by a high level of productivity. Van Zanden argues that the pattern of interregional specialisation — a significant impulse for the expansion of domestic trade and transport — was strongly developed as early as 1500.<sup>26</sup> Under the influence of rising productivity levels in the primary sector especially in Holland, a process of rapid urbanization occurred, which had a favourable effect on the development of industry and services.<sup>27</sup>

The significance of the agricultural sector for the remainder of the economy becomes apparent from data presented in Van Zanden's dissertation. He draws attention to the fact that around 1800 agriculture not only accounted for approximately 40% of the working population, but provided additional employment for another 20%. This involves both distributive services rendered to agricultural enterprises and industries based on the processing of agricultural products.<sup>28</sup> This shows a much more direct relationship between the development of the agricultural sector and the service industries than is suggested in the 'sectoral model'.

In order to provide an adequate explanation for the development of the service sector, it appears to be necessary to give more attention to services directed at the internal market, in addition to which further research is called for into its relation with the highly developed agricultural sector. Furthermore, the importance of services for the Dutch economy at large should be examined. Not only the share of this sector in Gross Domestic Product, but also the strategic function of domestic trade and transport should be included in the analysis. Within this framework it would be interesting to examine to what extent the development of domestic distributive services reinforced the process of national economic integration, and if such a development caused the enlargement of markets for enterprise and brought about a reduction in costs in the entire economy by a gradual decline in transportation costs.

## APPENDIX

Table A *Share of occupational groups in the service industries on the basis of the occupational classification, 1849-1909 (in %).*

	1849	1859	1889	1899	1909
Trade	22.0	19.9	24.3	23.3	22.4
Transport, storage, communication	14.6	16.1	20.6	17.6	20.7
Banking	0.1	0.1	0.3	0.3	0.4
Insurance	0.1	0.1	0.2	0.4	0.5
Civil service	3.7	3.9	4.3	4.1	3.5
Military	10.3	6.1	3.7	3.0	2.3
Education	2.2	2.1	4.2	4.7	4.8
Medical and social services	1.1	1.2	1.1	1.7	2.1
Administrative personnel	0.5	0.6	2.9	3.9	5.4
Art, science, and entertainment	0.8	0.8	0.7	0.9	0.9
Lawyers and solicitors	0.2	0.2	0.1	0.1	0.1
Domestic services	37.4	42.7	27.9	29.6	25.6
Catering	3.5	2.6	3.2	3.9	3.5
Religion	1.5	1.7	2.1	1.5	1.2
Cleaning	+	+	2.5	3.3	2.9
Hairdressers	0.6	0.6	0.7	0.8	0.9
Photographers	.-	0.0	0.1	0.1	0.1
Chemists	0.6	0.5	0.3	0.4	0.4
Other services	0.8	0.8	1.0	0.5	2.9

.- This category did not exist in 1849.

+ For technical reasons related to the source material, occupational totals could not be calculated.

Table B *Contribution of the service sector to the total labour force in selected European countries, 1850-1970 (in %).*

	Neth	Bel	Den	Fra	Ger	Nor	Spa	Swe	Swi	GBr
until 1855	29	13	12	—	—	—	—	—	—	24
1855-1865	34	16	12	21	—	—	15	19	—	27
1865-1875	—	18	14	22	—	—	—	12	—	29
1875-1885	—	24	16	27	17	—	17	14	—	31
1885-1895	35	29	19	27	20	27	15	14	16	33
1895-1905	36	30	27	29	—	29	15	16	18	34
1905-1915	38	31	30	26	22	33	14	24	27	35
1915-1925	40	30	37	29	27	34	18	27	28	43
1970	50	50	49	44	44	51	36	51	44	57



Table C *Contribution of agriculture to the total labour force in selected European countries in 1900 (in %).*

	Neth	Bel	Den	Fra	Ger	Nor	Spa	Swe	Swi	GBr
1900	31	27	46	41	37	41	68	54	35	9

Table D *Contribution of producer and distributive services to the total labour force in selected European countries, 1850-1970 (in %).*

	Neth	Bel	Den	Fra	Ger	Nor	Spa	Swe	Swi	GBr
until 1855	11	4	4	—	—	—	—	—	—	4
1855-1865	12	5	5	7	—	—	2	4	—	6
1865-1875	—	6	7	7	—	9	—	3	—	7
1875-1885	—	10	8	10	7	—	5	4	—	8
1885-1895	16	13	12	11	9	12	4	6	11	10
1895-1905	17	15	12	13	—	14	5	7	13	11
1905-1915	19	14	15	13	11	17	4	11	16	14
1915-1925	21	17	17	14	14	20	8	14	17	21
1970	29	28	28	23	25	31	21	27	29	33

— No data available.

## NOTES

- \* This article is based on: J.P. Smits, 'The development of the structure of employment in the Dutch service sector, 1850-1920' (unpublished M.A. thesis Free University of Amsterdam 1989). I would like to thank Jan Luiten van Zanden for his stimulating criticism on earlier drafts. Furthermore, I owe many thanks to Edwin Horlings for our lengthy conversations on the role of the service sector in the process of economic development and for translating this article into English.
1. For a historiographical survey of this debate, see: E.J. Fischer, 'De geschiedschrijving over de 19e-eeuwse industrialisatie', in: W.W. Mijnhardt, ed., *Kantelend geschiedbeeld* (Utrecht/Antwerp 1983) 228-255.
  2. R.T. Griffiths, 'Economische ontwikkeling in industrieel Europa' in: F. van Besouw, ed., *Balans en perspectief; Visies op de geschiedwetenschap in Nederland* (Groningen, 1987) 147-165.
  3. A.G.B. Fisher, 'Capital and the growth of knowledge', *Economic Journal* 43 (1933) 347-389; C. Clark, *The conditions of progress* (New York 1951) 490-520.
  4. J.I. Gershuny & I.D. Miles, *The new service economy; The transformation of employment in industrial societies* (London 1983) 248-249.
  5. Gershuny & Miles, *The new service economy*, 49-51.
  6. In this 'traditional' definition of the concept of services, the place of trade and transport in economic life remains indistinct. Thus, transport was in some cases included under industry. Frequently not a word was mentioned about distributive services. Since trade and transport were not systematically classified in one of the economic sectors, the work of supporters of the 'sectoral model' could not clarify how the structure of employment in trade and transport should develop according to this theory in the course of time.
  7. R.T. Griffiths, *Achterlijk, achter of anders? Aspecten van de economische ontwikkeling van Nederland in de negentiende eeuw* (Amsterdam 1980).
  8. Griffiths, *Achterlijk, achter of anders?*, 10.
  9. Griffiths, 'Economische ontwikkeling in industrieel Europa', 152-153.
  10. For the latest calculations concerning economic growth in the Netherlands in the nineteenth century, see: J.L. van Zanden, 'Economische groei in Nederland in de negentiende eeuw, enkele nieuwe resultaten,' *Economisch- en Sociaal-Historisch Jaarboek* 50 (1987) 51-76.
  11. P.K. O'Brien, 'The analysis and measurement of the service economy in European economic history', in: R. Fremdling & P.K. O'Brien, eds, *Productivity in the economies of Europe* [Historisch-sozial-wissenschaftlichen Forschungen, 15] (Stuttgart 1983) 80.
  12. The occupational classification simply presents an overview of all occupations irrespective of the kind of 'enterprise' in which the activities take place. In the industrial classification, however, occupations that belong to the 'actual' firm as well as other forms of labour were recorded.
  13. J.A. de Jonge, 'Vergelijking van de uitkomsten van de beroepstellingen 1849-1960', in: Central Bureau of Statistics, *13e Algemene Volkstelling; Vol. 10 C* (Hilversum 1966) 7.
  14. The data that are presented in this paragraph have been extracted from B.R. Mitchell, *European historical statistics, 1750-1970* (London 1975); S. Kuznets,

*Modern economic growth; Rate, structure and spread* (New Haven/London 1966) 147.

15. H. van Dijk and S.W. Versteegen, *Dienstverlening in Nederland en Duitsland tussen Eerste Wereldoorlog en welvaartsstaat (1920-1960)* (Amsterdam 1988).
16. *Ibid.*, 57-61.
17. *Ibid.*, 81-82. It should be noted that Van Dijk and Versteegen base their statements on the 'traditional' character of Dutch services mainly on research into the period after 1920. In the interwar years there was indeed an over-representation of domestic services. In the years before 1914 this was certainly not the case.
18. *Ibid.*, 65.
19. Y. Sabolo, *The service industries* (Geneva 1975).
20. The classification was derived from: J. Singelmann, *From agriculture to services; The transformation of industrial employment* (Beverly Hills/London 1978):
  - Distributive services:** trade, transport, storage and communication;
  - Producer services:** banking and insurance, professions and other business services;
  - Social services:** government, education, religion and other medical and social services;
  - Personal services:** residual category of services mostly given directly to the consumer (such as catering, hairdressers, and so forth).
21. For a survey of the 'modern' characteristics of Dutch society in the beginning of the nineteenth century, see: J.L. van Zanden, *De industrialisatie in Amsterdam, 1825-1914* (Bergen 1987) 11. For the process of modernization in agriculture and the consequences of this development for the remainder of the economy, see: J. de Vries, *The Dutch rural economy in the Golden Age* (New Haven/London 1974).
22. R.T. Griffiths, 'The creation of a national Dutch economy, 1795-1909', *Tijdschrift voor Geschiedenis* 95 (1982) 513-537.
23. A. Vermaas, 'De ontwikkeling van nominale uurloren in Nederland, 1850-1914' (unpublished M.A. thesis Free University of Amsterdam 1989) 78.
24. Griffiths, 'The creation', 531.
25. The first estimates of service production in the period 1850-1913 were made in: J.P. Smits, 'De ontwikkeling van de Nederlandse dienstensector, 1850-1913' (unpublished research paper, Amsterdam 1990).
26. J.L. van Zanden, *De economische ontwikkeling van de Nederlandse landbouw in de negentiende eeuw, 1800-1914* (Wageningen 1985) 30-35.
27. T. Weiss, 'Urbanization and the growth of the service working force', *Explorations in economic history* 12 (1974) 242-258. For the importance of urbanization in processes of structural transformation and economic growth in Holland in the early modern period, see: J.L. van Zanden, 'Op zoek naar de 'missing link'; Hypothesen over de opkomst van Holland in de late Middeleeuwen en de vroeg-moderne tijd', *Tijdschrift van Sociale Geschiedenis* 14 (1988) 359-386.
28. Van Zanden, 'De economische ontwikkeling', 358.



# V

## THE CRAFTS IN INDUSTRIAL SOCIETY: IDEALS AND POLICY IN THE NETHERLANDS, 1890-1930\*

by

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### *1. Introduction*

Until recently, economic development in Western countries has generally been described as a process of which a key element is the gradual replacement of craft production by large-scale industry, manufacturing standardized products for large markets. Drawing on classical theorists such as Adam Smith and Karl Marx, both economists and economic historians have assumed that large-scale, mechanized production would inevitably displace craft production simply because it was so much more efficient. Recently, however, this view has come under attack, for several reasons.<sup>1</sup> In spite of what liberal and Marxist theories have predicted, small firms still play an important role in advanced economies and many of them are anything but backward technologically.<sup>2</sup> Some economists even claim that the era of highly mechanized mass production is now passing and that we are at the beginning of a new phase in which small-scale production, using advanced, flexible, multipurpose machinery (computers, robots), will be much more important.<sup>3</sup> Historians have contributed to this discussion by, for example, pointing out that the successful development of French industry took the form of the modernization of craft firms and that even in the mother country of industrialization, Great Britain, small firms were much more important than has usually been allowed for.<sup>4</sup> In an important article, Charles Sabel and Jonathan Zeitlin have presented a catalogue of industrial districts in France, Germany and Britain where small firms operated successfully thanks to the use of flexible machinery, which enabled them to produce a great variety of products for a highly differentiated market. All kinds of social institutions protected these industries from the vicissitudes of the market and stimulated continuous innovation in production processes.<sup>5</sup>

It is not the first time that the theory of the inevitable rise of mass production and the equally inevitable decline of the crafts has been challenged. Around

1900 a debate took place in several Western European countries which was in some ways strikingly similar to the present discussion. Then, as now, it was argued that, in fact, although some craft firms were disappearing, others were not; that the decline was in many cases not inevitable and that it was certainly undesirable; and that modern technology — at that time, small machinery running on gas, petrol or electricity — would enable small firms to compete successfully. These ideas were turned into public policy in countries like Germany, Austria, Belgium and the Netherlands.<sup>6</sup> It seems to be one of the rare cases in which technical development was not seen as moving inexorably in one direction and in which it was believed that by stimulating a particular kind of technical development, in this case the spread of small machinery, certain socially desirable goals could be achieved: a society with a large crafts sector. Such a society would be much more harmonious and stable than a thoroughly industrialized one, which would be torn by class conflict.

In this article, I want to explore these ideas and policies in the Netherlands. First, I shall outline the development of the crafts in the Netherlands. Next, the debate on the future of the crafts and the emergence of a movement to support them will be discussed. Finally, I shall describe the development of a public policy to support craft firms and the activities of the government agencies which had to carry out that policy.

For the sake of clarity, my use of the term 'crafts' should be explained at the outset.<sup>7</sup> I shall define a craft firm as a small production unit in which:

- a) the owner works alone or with only a few employees;
- b) production takes place using tools and sometimes non-automatic (not necessarily simple) machinery, i.e., machines which can be seen as extensions of the skills of the craftsman, which do not impose a rigid rhythm of work and which can be used for different operations (sewing machines, electric drills and general-purpose lathes are examples, as against the "rigid" machines of mass production, such as automatic weaving machines, which turn out great quantities of uniform products);
- c) there is hardly any division of labour and therefore the craftsman is proficient in many skills;
- d) products are made to order, usually on a one-off basis or in very small batches. This definition implies that domestic labour, which was characterized by an intensive division of labour and low skill levels, is excluded. Also excluded is small-scale industry, i.e. the production of series of uniform products in small production units. As was the case in the debate in the period under consideration, I would stress, therefore, not the scale of firms but the quality of work and the relation of the producer to the market. The new crafts which arose at the end of the nineteenth century, such as bicycle and motor mechanics, electricians, plumbers and so on, differed from the older crafts mainly in the fact that they did not make new products but installed and repaired mass-produced ones. In other respects — technical

proficiency, small-scale, multipurpose technology, direct relations with customers and so on – they were very similar to the older crafts.

## *2. Crafts in the Netherlands*

Very little has been written, unfortunately, about the development of the crafts in the Netherlands, in contrast to countries like England, Germany and France, where this has become a popular subject in recent years. Generally, however, the same tendencies which have been noted elsewhere can also be observed in the Netherlands.<sup>8</sup> In the middle of the nineteenth century the major part of the Dutch working population was employed in agriculture (44%) or in commercial, transport or service occupations (29%). Only about a quarter of the working population was engaged in some kind of industry, most of which consisted of very small firms. Although there were some big enterprises, such as textile, papermaking and beet sugar factories, industrialization on a large scale started only after the Great Depression, that is, during the eighteen-nineties. The craft industries profited greatly from the economic expansion which took place after 1850 and which lasted far into the 1870s. Agriculture especially flourished at this time, and since most craftsmen worked for the farmers they shared in the increase in their wealth. It is estimated that between 1850 and 1860 the number of people employed in the crafts rose by about 25%, while the population grew by about 8%.<sup>9</sup> Consequently, the agricultural crisis which started to affect the Dutch economy after 1878 also hit the craft industries severely. Some compensation could be found in the cities, which started to grow from about 1865 and expanded particularly rapidly during the 1880s (partly as a result of the agricultural depression). However, from this time on the craft industries were confronted with increasing problems, which in many cases could not be overcome.

In the first place, many people who had lost their jobs in the countryside started small businesses in the cities, causing cut-throat competition with the already existing firms. The building trades, for instance, were undermined by the spread of speculative building during these years. Uniform blocks of houses were built on the outskirts of towns like Amsterdam and Rotterdam by builders who often subcontracted parts of the work to small specialized firms employing barely skilled workers.<sup>10</sup> Tailoring and shoemaking had already become predominantly sweated trades by around 1850. In some areas, blacksmiths, goldsmiths and silversmiths worked under similar conditions during the first quarter of this century.<sup>11</sup> Especially after 1890, craftsmen also had to compete with mass-produced goods, which first reached the cities but, as a consequence of the expansion of the railways after 1860 and of local tramways after 1880, also became available in the villages (shoes and iron stoves, for instance).

As in other countries, craftsmen in some trades adapted successfully, such as saddlemakers who turned to the production of suitcases and coppersmiths who found work in the installation of gas and water networks, while new trades, such as electricians and motor mechanics, appeared. From the 1890s on, small machinery was increasingly applied in craft industries. Electric motors especially became very popular after 1900, when electricity networks were laid on in the larger towns<sup>12</sup> and all kinds of electrical machinery became available. The number of electric motors in industrial firms increased from 1,879 in 1904 to 220,582 in 1930.<sup>13</sup> Many small firms, such as bakeries, printers, cabinetmakers and small metalworking firms, owed their survival to a large extent to this new machinery.<sup>14</sup>

Statistical material on the development of the crafts is scarce and defective in terms of comparability and, because of the great variety of craft industries and their responses to economic modernization, it is often misleading. However, the general trend seems to be a rapid decline between 1890 and 1910, which slowed down thereafter.<sup>15</sup>

### *3. The debate on the future of the crafts and the emergence of a policy to support them*

The idea that the growth of large-scale industry would gradually displace the crafts was generally accepted as a matter of course by Dutch economists and politicians in the nineteenth century. Since the beginning of the seventeenth century industry had flourished in the Netherlands. It consisted mostly of craft firms but, especially in the western provinces, there were also relatively large, mechanized firms which processed wood, sugar, rice, coffee and so on for the export trade, mainly using windmills as their power source. After about 1750 these industries began to decline, and the Napoleonic wars, which cut the country off from international trade, were fatal for many of them.<sup>16</sup> In the leading journals it was argued time and again that only if entrepreneurs would follow the example of Britain and invest in modern machinery could new life be breathed into Dutch industry. Already in 1820 (when the Netherlands was still united with Belgium, where the first industrial areas on the continent were located) the influential economist H.W. Tydeman argued that the advantages of cheap mass production compared with small-scale industry were so great that the latter would inevitably disappear. Because cheap products would create larger markets for themselves, there would eventually be plenty of employment in the factories for craftsmen who had been thrown out of work. Besides, there was no choice: if the Netherlands did not want to see its markets flooded with factory goods from elsewhere, it had better mechanize production as soon as possible.<sup>17</sup> Half a century later, the left-wing liberal politician H. Goeman Borgesius was equally convinced that the crafts would necessarily disappear as a consequence of the superiority of the factory.<sup>18</sup> But he believed, like



Tydeman, that large-scale mechanization would eventually benefit everyone and he also believed that the social problems which industrialism entailed could be overcome by means of social legislation.<sup>19</sup> These two writers are fairly representative of the general way of thinking among liberal economists and politicians, who dominated social thought during most of the nineteenth century.

Socialist leaders of all kinds (from the anarchist Domela Nieuwenhuis to social democrats such as Wibaut and Schaper) shared this optimism. Following the lead of German social democrats such as Kautsky, they believed that industry would create tremendous wealth, from which eventually the workers would profit too. In their vision of the coming socialist society, there was no place for small craft firms. The revisionist argument that the crafts were not about to disappear did not have much influence in the Netherlands.<sup>20</sup> The much admired socialist leader and poetess Henriette Roland Holst, for example, criticized William Morris, 'who had never heard in the drone of machinery the possibilities of a higher social order'.<sup>21</sup> 'Giant firms' would dominate the future economy, she wrote.<sup>22</sup>

This consensus between socialism and liberalism concerning the desirability and eventual inevitability of large-scale mechanization and the decline of small-scale industry went practically unchallenged during most of the nineteenth century. Unlike other countries, such as Germany and Austria, there were no strong craft movements. Many trade organizations were started during the 1880s, but they were hardly active politically.<sup>23</sup> When a lower middle class movement sprang up shortly after 1900, several years after this had happened in Belgium, France and Germany, it was entirely dominated by shopkeepers, small industry playing an increasingly marginal role. However, towards the end of the nineteenth century the dominant view came under criticism from some liberal intellectuals and, especially, from Roman Catholic leaders.

To the liberal critics of large-scale industry the problem of the crafts was part of the 'social question', the problem of the place of the working-classes in society. This became a major topic of public discussion with the appearance at the end of the 1860s of the first working men's associations, which started to demand higher wages and better working conditions. During the depression of the 1880s, when there was much unemployment and poverty, a radical socialist movement, which had until then been inconspicuous, spread rapidly among urban and agricultural workers, creating fears of an impending revolution among the ruling classes. These liberal critics developed a rather original view of the problem, which was certainly not in line with the dominant currents in liberalism at that time. Their most important spokesman was the headmaster of the vocational school in The Hague, Hessel Luis Boersma (1846-1904).

Boersma thought that the social question could only be solved by creating a strong craft industry which could compete with large-scale industry. For

the production of some goods, mass production would be inevitable. But this should be kept to a minimum, leaving as much room as possible for craft production. The main problem of large-scale industry was not so much the use of machinery as the degradation of work due to the division of labour. When efficiency becomes the first commandment of industry, Boersma wrote, both the quality of labour and the quality of the products deteriorate. Society becomes flooded with ugly industrial products and social relations become dominated by class antagonism. Only a strong crafts sector fed by a constant flow of well educated young craftsmen from the vocational schools would be able to save the workers from 'a machine-like way of life and work, which kills both mind and soul'.<sup>24</sup> It would enable those workers to improve their situation by individual effort and turn them away from the collective actions of trade unions and socialist parties.

In order to achieve their aims, Boersma and others advocated three kinds of policy. First, technical education should be improved and made available to all workers. From 1861 on, many vocational schools were set up in the Netherlands. They attracted an increasing number of pupils, who easily found good jobs after completing their education. Boersma tried to keep his own school abreast of the advance of technology by starting new courses for electricians, gas fitters, motor mechanics and so forth. As I have said, he was not opposed to the introduction of modern machinery as such. On the contrary, he favoured new techniques which relieved the worker of dull and heavy work and enhanced his versatility and independence. He and others therefore argued, secondly, that the government should assist craftsmen by keeping them informed about the latest machinery and helping them to finance innovations in their workshops. They often cited the example of Austria, where such government institutions already existed at the end of the nineteenth century.<sup>25</sup> Thirdly, the public should be taught to appreciate quality goods and to prefer well-made craft products to mass-produced articles. This was the main goal of a museum for applied art which was set up in Haarlem in 1877. In short, if a large market could be created for craft products by educating the public and improving craft production itself, there would be no need for the expansion of large-scale industry, and the quality of work, of the products and of social relations – in short, the quality of society – could be improved.

The main forum for people like Boersma was the Society for the Promotion of Industry (*Nederlandsche Maatschappij ter bevordering van Nijverheid*), an organization similar to the German *Gewerbevereine*, whose membership included businessmen, industrialists, engineers, civil servants and lawyers and which sought to stimulate the Dutch economy by publishing articles on new techniques in its journal, addressing the government on subjects such as the building of railways, land reclamation and social legislation and starting vocational schools. Since it counted among its members heads of the largest Dutch firms as well as prominent politicians

and officials, it was a rather influential organization. From the 1870s on the Society started to publish a series of articles about new machinery for small firms.<sup>26</sup> Different types of small machinery were discussed, with tables specifying use of fuel and efficiency. In 1907 it organized an exhibition of small machines in Amsterdam, together with a conference on the future of the crafts, both of which were a great success. Besides small machinery, the exhibition had stands at which several countries, including Belgium and some German states, presented their governments' programmes for stimulating small-scale industry.<sup>27</sup>

Two years later the Society together with the National League of Retailers and Craftsmen (the *Nederlandsche Middenstandsbond*) published a report which was sent to parliament and which advised the government to appoint industrial consultants in several parts of the country to provide small enterprises with information about new technology and advice on the organization of their business. This plan was gradually carried out. One consultant was appointed in 1910; two more were appointed in 1913. These men became the spearhead of the efforts to support the craft industries. In the next section we shall analyze their activities and the ideas behind them, but first we have to look at another group that became an important supporter of the *Mittelstand* (as the Germans called it): the Christian democrats.

Christian democratic parties and organizations had their origin in two movements for religious emancipation, one neo-Calvinist, the other Roman Catholic. Neo-Calvinists were mainly people in the lower middle classes (small shopkeepers and craftsmen, skilled workers, small farmers) who were dissatisfied with the dominant role of liberalism in politics and society, including in the formally Calvinist Dutch Reformed Church. They resented appointments of latitudinarian ministers and they fought for government subsidies for their denominational schools. Under the charismatic leadership of the Amsterdam church minister Abraham Kuyper (1837-1920) they evolved from a religious pressure group into a powerful political party with its own views on the problems of Dutch society and the kind of future society to be striven for. The Roman Catholics (who were spread to a greater extent over the different strata of Dutch society but who were also more heavily represented among the urban lower middle classes and the farmers) had been a minority subjected to discrimination until 1796 when, during the French occupation, they received equal rights with other religious groups. Thereafter, they tried to turn this formal emancipation into real emancipation; in other words, to undo the effects of centuries of discrimination. Like the Calvinists, their first efforts were directed at religious issues: the organization of their church and government subsidies for their schools. In 1888 the Christian democrats won their first electoral victory against the divided liberals and conservatives and formed the first Catholic-Protestant cabinet. From then on, they were a powerful force in Dutch politics.

The fate of the *Mittelstand* (or lower middle classes) was much discussed in Christian democratic circles, not only in the Netherlands, but also elsewhere. Especially after 1897, when a new electoral law enfranchised them, the 'problem of the lower middle classes' became urgent for Roman Catholics and neo-Calvinists. They argued that the "social question" had been regarded too exclusively as the problem of the industrial workers, whereas the future of the lower middle classes was at least as important. Master artisans were threatened by large-scale industry, while shopkeepers were threatened, on the one hand, by department stores and, on the other, by cooperative retail shops set up by the labour movement. The disappearance of this class would make the Marxist prediction of a society split up into two hostile classes come true. Farmers, shopkeepers and craftsmen were therefore hailed as the backbone of society: they combined capital and labour, preserved the sacred values of industriousness, sobriety and piety, and were the living proof of the possibility open to everyone to become an independent entrepreneur.<sup>28</sup>

Roman Catholics especially were greatly concerned about the craft industries. Although they recognized that the crafts were threatened by large-scale industry, they stressed that their disappearance was not only undesirable but also unnecessary. In reply to liberal and socialist politicians and writers, they quoted German revisionist socialists such as Eduard Bernstein, who had demonstrated on the basis of the industrial censuses of 1882 and 1895 that large firms develop alongside, and by no means always at the expense of, small ones.<sup>29</sup> The middle classes, they wrote, are threatened but not doomed, and they can better their situation considerably by improving the way they manage their businesses, introducing modern machinery and forming cooperative societies and trade associations modelled on the old guilds. After 1902, Roman Catholic priests were very active in founding such trade associations and credit banks for small entrepreneurs (the banks received government support from 1908 on).<sup>30</sup> As for technical innovations, they had great expectations of the introduction of electricity and the application of electrical machinery, which would, they argued, lead to an increasing number of small industrial firms, as it had already done elsewhere.<sup>31</sup> As the Catholic trade paper the *Hanzebode* put it: 'Steam power has driven the people into the factories, the electric current will drive them out again, into their own workshops. Such a decentralization of industry will prove to be the best way to end the social abuses which attend industrial production in our times'.<sup>32</sup>

In 1901 the neo-Calvinist leader Kuyper became prime minister of a cabinet dominated by orthodox Protestants and Roman Catholics. One of his first acts was to send a representative to the international conference of the lower middle classes in Namur in Belgium. After the next conference, which was held in Amsterdam in September 1902, the *Nederlandsche Middenstandsbond* (League of Retailers and Craftsmen) was founded. This

became the main political pressure group for retailers and, to a lesser degree, craftsmen. Under Kuyper's government a parliamentary commission was set up to study the situation of the lower middle classes and advise the government on measures to be taken. It was also a Christian democratic cabinet which appointed the industrial consultants. In short, it was due to Roman Catholic and orthodox Protestant politicians that the ideas which had been developed in the Society for the Promotion of Industry were put into practice.

#### *4. Work and ideology of the industrial consultants*

We shall now take a closer look at how and why the Dutch government tried to help the craft industries. As we have seen, this work was entrusted to the government agency of industrial consultants, which, after some years of preparation, really started to operate in 1913.<sup>33</sup> There were three industrial consultants, all of them engineers, who worked regionally, each covering about one third of the country. They were assisted by a National Laboratory of Industry, also headed by an engineer, which collected information about new machinery and apparatus, provided addresses of producers and suppliers of this equipment, organized exhibitions and ran tests of machinery at the request of the consultants or individual firms. The laboratory was set up in close cooperation with the Polytechnic in Delft (the only one in the Netherlands). It was located in the Polytechnic's department of mechanical engineering, and three of its professors served actively on its advisory board. From 1917 on, the agency was enlarged. In 1917 and 1918 each consultant was given an advisor, who was to concern himself especially with matters of organization and cooperation. One assistant was appointed with the specific task of helping entrepreneurs to economize on fuel. In 1917, 1919 and 1920 another three assistants were appointed to provide assistance to blacksmiths, wagonmakers and producers of wooden clogs respectively. In January 1920 a chemical and an electrical engineer were added. In addition, there were 17 offices, spread over the country, which were to help small entrepreneurs improve their financial administration.<sup>34</sup> Finally, there were state-subsidized laboratories for several branches of industry, such as the leather and shoe industry, flour mills and bakeries and the rubber industry. These, however, mainly served the needs of the larger firms.<sup>35</sup>

The work of the agency was based upon the assumption that many small firms perished quite unnecessarily because they failed to introduce adequate modern machinery and accounting. It was therefore the business of the agency to help craftsmen modernize their firms in these respects.<sup>36</sup> In 1914 the task of the industrial consultants was extended to include the stimulation of *all* industry, though very large firms were always referred to private consultants.<sup>37</sup> This enlargement of their task meant, however, that the

consultants spent much of their time, not with the really small firms, but with medium-sized firms.

The work of the industrial consultants and the laboratory for industry consisted mainly in answering questions from firms on all kinds of technical and organizational matters.<sup>38</sup> The number of these consultations, which were free of charge, grew from 465 in 1913 and 1914 to 1,100 in 1920 and stabilized around 1,000 during the 1920s and 1930s.<sup>39</sup> The enquiries related to such things as how to start cooperatives for purchasing raw materials, what kind of machines or apparatus to buy and addresses of firms from which the equipment could be bought. The consultants also studied the feasibility of starting new branches of industry in the Netherlands for which a market appeared to exist (e.g. the production for the Dutch East Indies of agricultural implements, which were largely imported from foreign countries). Most of the requests for information came, not from craft firms, but from somewhat larger firms operating on much more than a local market. Many of the activities which the industrial consultants organized on their own initiative benefited the same group.<sup>40</sup> Questions came, for instance, from a dairy factory, a briquette factory, a producer of pig's wash (working with a steam engine, drying apparatus and so on), a polder committee (about a new pumping engine) and a factory for cane furniture and baskets. The last example is typical. Cane products were sold on an international market which was dominated by the highly mechanized German industry. If Dutch firms were to compete on this market, according to the agency, they would have to invest in modern machinery.<sup>41</sup>

The demonstrations which were organized by the National Laboratory show the same tendency.<sup>42</sup> For example, the demonstrations of acetylene and electric welding, in 1918 and 1921, attracted not so much blacksmiths as representatives of larger engineering and shipbuilding firms. And when the National Laboratory demonstrated paint spraying machines it was even admitted that their introduction would be detrimental to the craft of the painters. This method, it was pointed out, was much faster than the traditional way of painting; expensive brushes would become superfluous and special skills were not necessary, which meant that personnel costs could be cut by 80-90%.<sup>43</sup>

Another interesting case is that of small factories producing electrical appliances which had sprung up during the war (when gas and coal were in short supply and electrification was speeded up). One of the consultants wrote in March 1920 that standardization should be pushed, because only in this way would small firms be able to start producing large series, which was essential for their survival in an increasingly competitive international market.<sup>44</sup> Another example is that of a small machine-building firm which made simple machinery for ships and mills. According to the report, it was a true craft firm, where the master worked at the lathe together with his men. Although they worked very hard, the firm was constantly in debt. The

industrial consultant suggested that they should stop producing single machines and only make series of at least six. The time needed for each step in the production process should be calculated and brought down to a minimum 'by modern means'. Work should be planned a few weeks ahead and every worker should receive detailed instructions on a card. Thanks to this scientific management type of approach the firm's prospects were now much better, the report concluded.<sup>45</sup>

In short, the industrial consultants certainly did not embrace the kind of 'small is beautiful'- doctrine which Boersma had expounded twenty years before. Moreover, they were quite explicit about this. They wanted it to be known that they did not work only for small firms but also for larger firms,<sup>46</sup> and in their meetings with the head of the Department of Trade at the Ministry of Agriculture, Industry and Trade, this was never a point of discussion. In their publications, the consultants stressed one aspect of their original programme: the possibilities for craft firms to develop into medium-sized or even large industrial enterprises by means of the introduction of advanced machinery and production methods. Small firms could, for instance, specialize in producing parts which were subsequently used in mass production. As an example, an ironmonger's shop was cited which had successfully started the production of door handles and now employed 80 men.<sup>47</sup> In their opinion the importance of a large number of small firms lay, not so much in the intrinsic worth of craft production, but in the availability of a fund of small firms, of which the strongest could grow into advanced, internationally competitive enterprises.<sup>48</sup>

On the other hand, the industrial consultants and the National Laboratory did carry out programmes that were intended to save some old crafts which, at least when seen from the present perspective, were destined to disappear. The first of these was a project for blacksmiths, which we shall now look at in more detail.<sup>49</sup> In January 1917 an assistant was appointed to the engineer of the National Laboratory in Delft whose task would be to help blacksmiths, especially those in the countryside, to modernize their smithies. The assistant had been a blacksmith himself and had subsequently become a teacher at a vocational school. Blacksmiths were chosen because there were a great many of them and because they often worked in isolated places and were therefore ill informed of the latest machinery and techniques. Most of them were poorly equipped and poorly skilled. The blacksmiths were among the best organized craftsmen. About half of them belonged to the League of Master Blacksmiths (Bond voor Smedenpatroons), which dated from 1903.<sup>50</sup> This organization published an excellent trade journal,<sup>51</sup> offering much technical information. From 1907 on it tried to organize courses for blacksmiths, and during the war it was the only organization to urge the government to appoint a technical consultant especially for their trade.<sup>52</sup> A programme for this group of craftsmen therefore seemed to have a better chance of success than one for any other group.

Unlike the German *Gewerbeförderungsdienst*, which organized courses of six to eight weeks in model smithies in some large towns for which a fee was charged, the Dutch service offered its courses free. Theoretical lessons were given in village schools in the evenings and practical advice was given to each smith personally in his smithy. The assistant started his work in the northern province of Groningen, where there were many blacksmiths who worked for the farmers. He travelled from village to village, lecturing and visiting blacksmiths, and reached between 50% and 85% of them. He found that the equipment and working methods in most of these smithies were indeed lamentable, but that the blacksmiths were very eager to learn, especially about acetylene welding and metal cutting, technical drawing and bookkeeping. Some of them even followed the assistant to the next village in order to hear a lecture again. The report ended with the remark that unless more assistants were appointed it would take dozens of years to reach all Dutch blacksmiths (let alone other crafts).

This plea was heeded. A second and third assistant were appointed in 1919 and 1920 to work in other parts of the country in a similar manner. The assistants stressed good bookkeeping and mechanization and often seem to have encouraged blacksmiths to transform their smithies into small factories for mass production. The National Laboratory even designed some simple tools which were clearly meant to help them effect this transition, such as a device for making angle irons and one for making pipes.<sup>53</sup> Many blacksmiths were already producing large series of simple products, such as hinges, for bigger firms (shipyards, construction companies) anyway<sup>54</sup>; they could only gain by mechanizing this kind of production.

The results of these efforts are hard to assess. Generally speaking, blacksmiths continued to lose ground to mass production, even though some new areas of activity were opened up, such as the construction of waterworks, central heating and the building of greenhouses.<sup>55</sup> Their number declined both absolutely and relative to the population.<sup>56</sup> Electrical machinery was, however, introduced on a large scale — in this respect the consultants were successful — especially by somewhat larger firms.<sup>57</sup>

During the 1920s similar projects were carried out for, among others, wagonmakers, clogmakers, plumbers, shoemakers and cabinetmakers. In general, these projects show the same tendencies. I shall discuss only two examples: wagonmakers and clogmakers. Wagonmakers traditionally made all kinds of wooden coaches and farm carts. Like most trades, theirs was characterized by overcrowding and severe competition, from which, for instance, the farmers who made use of their services profited mercilessly.<sup>58</sup> After the First World War a new market opened up for this trade: the production of coachwork for motor buses and lorries (from the beginning, passenger cars were imported, the only exception being the beautiful *Spijker*, which succumbed to foreign competition in 1925<sup>59</sup>). In 1923 there was even a boom in bus travel, and all kinds of odd vehicles appeared on the roads.<sup>60</sup>



Many wagonmakers therefore started to build bodies on imported chassis, Ford and Chevrolet being especially popular. At first all coachwork was done in wood, with only some iron reinforcements, but gradually the number of iron parts increased and by the end of the thirties wood had virtually disappeared from the workshops. Supported by the trade journal, the industrial consultant for the wagon industry (appointed in 1921) encouraged this transition. Like the consultant for the blacksmiths, he held lectures and gave individual advice. In addition, he made dozens of drawings of different kinds of coachwork, which were published in the trade journal, secured free stands for wagonmakers at exhibitions, took them to car factories to see the latest models, designed a course on coachbuilding for a vocational school and, as in all trades, tried to get the craftsmen to do some bookkeeping.<sup>61</sup>

Another group of wagonmakers continued to produce farm carts. The consultant helped them to improve their models and introduce innovations such as iron wheels and pneumatic tyres.<sup>62</sup> However, most requests for information concerned the construction of bodies for motor vehicles, and both the consultant and the trade journal stressed that only this branch of the trade had a chance of survival: traditional wagon-making was a dying craft.<sup>63</sup> Consequently, the consultant increasingly focused his efforts on coachbuilding.<sup>64</sup>

No statistics are available on the number of wagonmakers who made the transition to coachwork for motor vehicles,<sup>65</sup> the number who remained in the wooden farm cart business or the number who had to close shop. Nor do we know how exactly the transition from wood to iron was made in the coachwork firms. Traditionally, most wagonmakers had their ironwork (such as iron bands around the wheels) done by a blacksmith, though the larger firms had their own smithies. It seems that successful bus and lorry builders gradually fired their old wagonmakers and employed more and more ironworkers, electricians and the like.<sup>66</sup> Mass-produced lorries and buses were, of course, increasingly imported from elsewhere, especially after the Second World War. Many coachbuilders probably turned, therefore, to repairing factory-produced vehicles.<sup>67</sup> Nevertheless, at the international automobile exhibition in Amsterdam in 1938 there were still 21 Dutch producers, presenting their buses and lorries.<sup>68</sup>

The case of wooden clogs was rather different. The problem here was not diminishing or changing demand but severe competition, especially from Belgium. The strategy of the consultants was therefore to help clogmakers improve the quality of their products (especially the inside of the clog, for which they designed models that were distributed among producers) and to stimulate sales by means of advertising, exhibitions and exploring possibilities on the international market. The superior quality of Dutch clogs was proved by having Dutch schoolchildren wear Dutch and Belgian clogs until they wore out. It was demonstrated that the Dutch clogs lasted 339

days, the Belgian clogs only 198. According to a report in 1929, these efforts had some success: both the quality and the sales of clogs were improving.<sup>69</sup>

The efforts of the Department of Industry and Trade were very modest when compared to the much larger programmes of the German and Austrian governments. However, considering the prevailing government policy of minimal interference in the economy, the amount of energy spent on the craft industries is still remarkable. Though the government intervened massively and effectively in the economy during the First World War, creating several agencies for the regulation and support of trade and industry, most of this apparatus was dismantled as soon as the war was over.<sup>70</sup> The programmes for the crafts which had been started in 1913 also profited from government intervention during the war. However, in spite of cuts in the budget during the economic recession in 1922, the government maintained most of its programmes for the craft industries all through the twenties and thirties, up to the present day. During the 1920s expenditure for these programmes took up between seven and nine percent of the government budget for trade and industry; they were clearly one of the main concerns of the Department of Agriculture, Industry and Trade.<sup>71</sup>

Why did the government take so much trouble to help crafts, such as those of the blacksmiths, clogmakers and wagonmakers, which in retrospect seemed bound to disappear? The first part of the answer is that the prospects for these crafts certainly did not look hopeless to the politicians and officials involved. The agencies supported sectors which were in trouble, but only if they had a chance of survival. When, for instance, a programme was considered to help small-scale breweries, the preliminary report concluded that this would only make sense if the prospects for small-scale breweries improved.<sup>72</sup> Paradoxically the growth of mass production created new possibilities for small industrial firms. Large firms, the consultants noted, increasingly limited the range of their products to those which could be produced in large series, leaving batch production to smaller firms. The custom-built buses and lorries of the 1920s and 1930s, built on American chassis, are a good example of this. The greatest problem for small firms was therefore not competition from large firms (problems of markets and prices were discussed surprisingly little, clogs being an exception); rather, the main problems were, first, competition between the small producers themselves, who were often exploited by merchants who supplied them with raw materials and sold their products (blacksmiths, goldsmiths and silversmiths, shoemakers, small farmers producing butter for the international market) and, second, technical backwardness and reluctance to modernize.<sup>73</sup>

The first problem could be tackled in several ways. To start with, setting up a firm could be made conditional on qualifications recognized by the state and on solvency, as it was, for instance, in Germany. During the recession of the early 1920s this solution was hotly debated, but the argument of freedom of enterprise won out.<sup>74</sup> Not until the 1930s was the debate revived, and this

time a law was passed (1937) which specified the conditions for setting up a new firm.<sup>75</sup> Another solution was cooperation, which would make small producers less dependent on merchants. In the case of the small farmers, this had worked admirably, and during the first ten years of the agency the industrial consultants made great efforts to get craftsmen to start cooperatives for the purchase of raw materials, the sale of products and production. These efforts largely failed because of mutual distrust among craftsmen.<sup>76</sup> Consequently, the main thrust of their activities became the modernization of small firms. Technical and managerial backwardness, they stated again and again, were the reason that so many craftsmen perished quite unnecessarily: small firms could often produce as efficiently as large ones, if only entrepreneurs were well educated and knew how to put to use, for instance, electrical machinery, of which a great variety was now available.<sup>77</sup> Arguments for the importance of small-scale industry did not change much during the nineteen-twenties. New and vital industrial enterprises were expected to grow out of small firms. They were also very important as a source of employment, given a situation in which the population was growing by about 1.5% every year, whereas employment in the larger industrial firms was declining as a consequence of the rationalization of production made inevitable by international competition.<sup>78</sup>

### *5. Conclusion*

At the end of the nineteenth century the consensus, rooted in classical political economy and Marxism, regarding the inevitable rise of mass production at the expense of the craft industries was challenged by some liberal intellectuals, revisionist socialists and Christian democrats (especially Roman Catholics). They argued that the decline of the crafts was real in some sectors but not in others, and that as a general tendency it was neither necessary nor desirable. With some government support the craft industries would be able to modernize and remain an important part of the national economy. A strong middle class would be the backbone of society: it would prevent the division of the nation into two hostile classes, would guarantee the survival of bourgeois Christian morals and so on. Some of these writers were very hostile to industrialization, which they thought would lead to class war unless the government intervened. Others, especially liberals, valued small-scale firms because the best of them would be able to grow into strong, large enterprises.

These ideas resulted in a policy to support the crafts, mainly by helping them to modernize their workshops. The problems with which these firms and their government consultants had to contend were, in fact, not so much competition from large-scale industry as competition among the craft firms themselves and technical backwardness. The government agencies therefore

tried to initiate cooperation between craft firms and to help them introduce modern machinery. They did not want to preserve the crafts in their traditional form, and they were certainly not hostile to large-scale industry. In fact, they embraced the liberal view that the craft sector was a kind of nursery for medium-sized and large industrial firms. The overall effect of these efforts is hard to assess because of a lack of data. It is clear, for example, that after the Second World War blacksmiths and wagonmakers all but disappeared, but we do not know how many of them had by that time transferred their workshops into small metalworking factories, gas and water installation firms, bus and lorry building firms, service stations and so on.

When compared to those of countries such as Germany and Austria, the Dutch efforts at *Mittelstandspolitik* were modest indeed. In Germany, for example, after the *Gewerbeordnung* of 1881 there were officially recognized trade associations to which the state delegated important powers, such as the organization of an extensive apprenticeship system, including examinations for the titles of journeyman and master. In 1897 a law was passed which even made it possible to create compulsory guilds (*Zwangsinnungen*) to which any craftsman in a certain region had to belong if the majority of his colleagues had decided to form one. At the end of the nineteenth century most German states had large government agencies for the promotion of the crafts which organized permanent exhibitions of all kinds of modern small machinery, information offices, technical libraries and lectures and courses in many different trades.<sup>79</sup> Austria, where most crafts were organized in guilds in the full traditional sense (including strict control over entrance into the trade and vocational training), had similar but even more impressive institutions.<sup>80</sup>

Although Dutch industry around 1900 still consisted mainly of small firms, there existed in this country no industrial areas characterized by technically advanced craft firms and highly self-confident artisans such as described by Sabel, Zeitlin and Boch.<sup>81</sup> Craft organizations were not very numerous; their membership comprised only a small proportion of the craftsmen and they had very little involvement in politics. Consequently, the efforts of the government to support the crafts had only a weak basis in the crafts themselves, though some artisans, such as blacksmiths and wagonmakers, proved to be susceptible to technical and organizational modernization when offered the opportunity. In addition, and again unlike Germany and Austria, economic policy in the Netherlands was decidedly *laissez-faire*. To be sure, there were some Christian democratic politicians who favoured the kind of corporate organization prevalent in the German states. But these ideas were sharply rejected by the liberals and did not enjoy universal support in Christian democratic circles either.<sup>82</sup> This became manifest, as we have seen, in the debate in the early 1920s on proposals to regulate the establishment of new firms.

Dutch *Mittelstandspolitik* was therefore a rather pragmatic, liberal affair which, after the initial phase, lost the momentum of a craft ideology as put forward by a man like Boersma. What the agency of industrial consultants envisioned was not an economy in which craft production would predominate, but rather one in which new small firms would be created all the time, firms using advanced machinery, some of which would develop into medium-sized or large firms.

## NOTES

- \* This article is an elaborated version of a paper presented at the annual conference of the Society for the History of Technology in Sacramento, California, in October 1989.
1. Ch. Sabel & J. Zeitlin, 'Historical alternatives to mass production; Politics, markets and technology in nineteenth-century industrialization' *Past and Present* 108 (1985) 133-176; G. Crossick, 'The petite bourgeoisie in nineteenth-century Europe; Problems and research' *Historische Zeitschrift* (1986) [Sonderheft 15] 235 ff.; J. Breuille, 'Artisan economy, artisan politics, artisan ideology; The artisan contribution to the nineteenth-century European labour movement', in: C. Emsley & J. Walvin, eds, *Artisans, peasants and proletarians* (London 1985) 194-198.
  2. Sabel & Zeitlin, 'Historical alternatives', 137-138.
  3. E.g., T. Huppés, *Een nieuw ambachtelijk elan; Arbeid en management in het informatietijdperk* (Leiden 1985).
  4. R. Samuel, 'Workshop of the world; Steam power and hand technology in mid-Victorian Britain', *History Workshop* (1977) 6-72.
  5. Sabel & Zeitlin, 'Historical alternatives'. See also: A. Noll, 'Wirtschaftliche und soziale Entwicklung des Handwerks in der zweiten Phase der Industrialisierung', in: W. Rüegg & O. Neuloh, eds, *Zur soziologischen Theorie und Analyse des 19. und 20. Jahrhunderts* (Göttingen 1971) 193-212; J. Ehmer, 'Oekonomischer und sozialer Strukturwandel im Wiener Handwerk', in: U. Engelhardt, ed., *Handwerker in der Industrialisierung* (Stuttgart 1984); R. Boch, *Handwerker-sozialisten gegen Fabrikgesellschaft* (Göttingen 1985); S. Volkov, *The rise of popular antimodernism in Germany; The urban master artisans 1873-1896* (Princeton 1978). Overviews of recent scholarship on the development of the crafts in several European countries are the articles by Conze, Kaufhold, Ehmer and Heumos in: Engelhardt, *Handwerker*, and G. Crossick & G. Haupt, eds, *Shopkeepers and master artisans in nineteenth-century Europe* (London 1984).
  6. Overviews of these movements, which, however, pay little attention to the aspect of technology, are: Volkov, *The rise of popular antimodernism*; Crossick, 'The petite bourgeoisie' 269-276; Ph. Nord, 'Les mouvements de petits propriétaires et la politique (des années 1880 à la première guerre mondiale)' *Revue Historique* 275 (1986) 407-433.
  7. Conze in Engelhardt, *Handwerker*, 14-15; Heumos in Engelhardt, *Handwerker*, 166; Crossick, 'The petite bourgeoisie', 231-235.

8. See in particular: *Verslag van het onderzoek naar den toestand van den handeldrijvenden en industrieelen middenstand in Nederland* (Amsterdam 1918); O. Pyfferoen, *La petite bourgeoisie aux Pays-Bas* (Brussels 1902); J.A. de Jonge, *De industrialisatie in Nederland tussen 1850 en 1914* (Amsterdam 1968, Nijmegen 1976) 25-26, 265-267, 231-233; J.L. van Zanden, *De industrialisatie van Amsterdam 1825-1914* (Bergen 1987) 43-44, 59-62, 66-70.
9. De Jonge, *De industrialisatie*, 427, note 27.
10. *De toestand der werklieden in de bouwbedrijven te Amsterdam* (Amsterdam 1898); *Enquete, gehouden door de staatscommissie, benoemd krachtens de wet van 19 januari 1890* (The Hague 1890-1894), interview with H.L. Boersma, 218-221.
11. National Archives at The Hague (hereafter ARA): Archief Economische Zaken, Afdeling Handel en Nijverheid, vol. F 4528, Meeting of the industrial consultants with the head of the Department of Trade, 1 May 1914.
12. H. Baudet, *Een vertrouwde wereld* (Amsterdam 1986) 17-24.
13. Van Zanden, *De industrialisatie*, 68-69; H. Knippenberg et al., 'Modernisering van de Nederlandse nijverheid in regionaal perspectief, 1900-1930' *Jaarboek voor de Geschiedenis van Bedrijf en Techniek* 5 (1988) 393-396.
14. Cf. *Verslagen en Mededeelingen van de Afdeling Handel van het Departement van Landbouw, Nijverheid en Handel* (1929) vol. IV, 9.
15. H.J. Scheffer, 'Ontwikkeling van de ambachts- en fabrieksnijverheid in Nederland', *Economisch-Statistische berichten* (1942) 544-545. The first systematic collection of statistics concerning the craft industries dates from just after the Second World War. See A.W. Luyckx, *Het ambacht* (Tilburg 1952) 38-39.
16. R.T. Griffiths, 'Ambacht en nijverheid in de noordelijke Nederlanden 1770-1844', in: *Algemene Geschiedenis der Nederlanden X* (Haarlem 1981) 219-229.
17. H.W. Tydeman, *Verhandeling ter beantwoording der vrage: welke zijn de grenzen van het nut en de schade, welke door het gebruik van werktuigen in de fabrieken van ons vaderland, etc.* (s.l. s.a. [1820]), 39-40, 59-61. The discussion on modern technology in the Netherlands is dealt with in detail in: D. van Lente, *Techniek en ideologie; Opvattingen over de maatschappelijke betekenis van technische vernieuwingen in Nederland, 1850-1920* (Groningen 1988).
18. H. Goeman Borgesius, 'Stoommachines en volkswelvaart', *Vragen des Tijds* (1876) I, 1-37.
19. *Ibidem*, 24-37.
20. E. Huetting et al., *Troelstra en het model van de nieuwe staat* (Assen 1980), 40; E.H. Kossmann, *The Low Countries 1780-1940* (Oxford 1978) 512.
21. *De nieuwe tijd* (1897/98) 198.
22. *De nieuwe tijd* (1904) 436.
23. Pyfferoen, *La petite bourgeoisie*, 12-13.
24. H.L. Boersma, *Het ambacht* (The Hague 1902) I, 46.
25. *Ibidem*, 21-26.
26. E.g., *Tijdschrift der Nederlandsche Maatschappij ter bevordering van Nijverheid* (1863) 120-142; (1872) 273-285; (1876) 356-360; (1880) 23-25, 42-50; (1883) 295-296; (1887) 357-364; (1888) 1-13, 42-53, 65-69, 99-104, 289-291; (1894) 288-289.
27. *Verslagen en Mededeelingen van de Afdeling Handel* (1913) vol. III, 8.
28. E.g., B.P. Aalberse in: *Katholiek Sociaal Weekblad* (1905) 289-291; A. Kuyper in *De Standaard* 24 June 1892.

29. E.g., *Katholiek Sociaal Weekblad* (1905) 289-291; (1906) 414-415.
30. A. Kellenaers, *Handboek voor den middenstand* (Haarlem 1919) 24-26, 60-61.
31. *Katholiek Sociaal Weekblad* (1903) 408.
32. *Hanzebode*, 15 October 1919.
33. Overviews of the work of the industrial consultants and other government agencies for the stimulation of small industry are to be found in their yearly reports, published in the *Verslagen en Mededeelingen van de Afdeling Handel van het Ministerie van Landbouw, Nijverheid en Handel*, which appeared from 1907 on.
34. This had to do with government aid to credit banks for small business, started on a large scale at the beginning of the war. See A. Ingenool, *Vijfentwintig jaren middenstandsbeweging; Gedenkboek van den Nederlandschen Middenstandsbond* (s.l. 1927).
35. ARA: Archief Economische Zaken, Afdeling Handel en Nijverheid, vol. F4532.
36. *Verslagen en Mededeelingen van de Afdeling Handel* (1913) vol. III, 3-4.
37. *Verslagen en Mededeelingen van de Afdeling Handel* (1928) vol. II, 10.
38. Besides this, the consultants assisted, among other things, with the propagation abroad of Dutch products, the organization of industrial exhibitions and the publication of annual surveys of Dutch industry. See for overviews the yearly reports mentioned earlier (note 33). More detailed accounts are in: ARA: Archives of the Department of Trade of the Ministry of Agriculture, Industry and Trade, vol. F4527, F4528; Archive of the Middenstandsraad, vol. 52.
39. Yearly reports (see note 33). After 1921, consultations had to be paid for, except by small entrepreneurs who really could not afford it. See *Verslagen en Mededeelingen van de Afdeling Handel* (1924) vol. I, 7-8.
40. See for instance the industrial consultant Steketee at the meeting of the head of the Department of Trade and the industrial consultants; ARA: Archief Economische Zaken, Afdeling Nijverheid en Handel, vol. F4528, 15 June 1915..
41. ARA: Archief Economische Zaken, Afdeling Handel en Nijverheid, vol. F4527, reports of the industrial consultants.
42. The following examples are from: ARA: Archief Economische Zaken, Afdeling Handel en Nijverheid, vol. F4527.
43. ARA: Archief Economische Zaken, Afdeling Handel en Nijverheid, vol. F4527, Report of the demonstration of paint spraying machines, 17 and 18 June 1920.
44. ARA: Archief Economische Zaken, Afdeling Handel en Nijverheid, vol. F4528, Letter of the industrial consultant Begemann to head of the Dept. of Trade, 19 March 1920.
45. ARA: Archief Economische Zaken, Middenstandsraad, vol. 52. In the early thirties, the industrial consultants carried out time-and-motion studies in laundries, silversmithies and small shoe factories and tailor shops. See *Tien jaren bedrijfsonderzoek in het belang van den middenstand; Het Economisch Instituut voor den Middenstand 1931-1940* (The Hague 1941) 141-145.
46. E.g., ARA: Archief Economische Zaken, vol. F4528, Letter of the industrial consultants to the head of the Department of Trade, 30 December 1918.
47. *Tijdschrift der Maatschappij van Nijverheid* (1916) 249.
48. *Tijdschrift der Maatschappij van Nijverheid* (1912) 367; (1914) 417-419; (1916) 249-255; (1918) 89-92.
49. The blacksmiths' project has been studied by: Michiel Koorenhof, 'De kleine nijverheid in Nederland, 1900-1940' (unpublished Master's thesis, Erasmus

- University of Rotterdam 1989) 39-50. In addition, I have used the programme for the assistant of the National Laboratory, 10 April 1917, and the report of 4 October 1918, both in: ARA: Archief Ministerie van Economische Zaken, Afdeling Nijverheid en Handel, vol. F4527.
50. *Gedenkboek van den Bond van Smedenpatroons* (Utrecht 1928)
  51. The *Vakblad voor smeden* started to appear in 1908; from 1910 onwards it was called *Orgaan voor smedenpatroons*. Only some copies have been preserved, in: ARA: Archief Ministerie van Economische Zaken, Afdeling Nijverheid en Handel, vol. F4540, and at the International Institute of Social History in Amsterdam.
  52. *Gedenkboek van den Bond*, 59, 61.
  53. *Verslagen en Mededeelingen van de Afdeling Handel* (1927) vol. II, 23; (1928) vol. II, 37.
  54. Koorenhof, 'De kleine nijverheid', 43, 44.
  55. *Verslagen en Mededeelingen van de Afdeling Handel* (1929) vol. IV, 33; Koorenhof, 'De kleine nijverheid', 46.
  56. It can be estimated that in 1912 there were about 8,000 blacksmiths, that is, one for every nine inhabitants, whereas in 1930 there were 6,907, one for every fourteen inhabitants. See Koorenhof, 'De kleine nijverheid', 48.
  57. *Ibidem*, 49.
  58. H.G. Fokkens, *Het wagenmakersbedrijf in Friesland* (Arnhem 1967); J.F. Heybroek, C.R. Mönnich, *De Leidse wagenmaker; Een bedrijf in beeld* (Zutphen 1981); *De Rijtuig-, wagen en carrosseriebouw* 7/1 (15 May 1924) 3-4; very informative is the trade journal *De rijtuigbouw*, which started in 1912 (later called *De rijtuig-, wagen- en carrosseriebouw*). Unfortunately, only a few copies have been preserved, some in: ARA: Archives of the Ministerie van Economische Zaken, Rijksnijverheidslaboratorium, vol. 25, nr. 4, and some at the International Institute for Social History in Amsterdam.
  59. H.A.M. van Asten, 'De Spijker van de weg gereden' *Economisch en Sociaal-Historisch Jaarboek* 33 (1970) 67-118.
  60. *Verslagen en Mededeelingen van de Afdeling Handel* (1924) vol. I, 48.
  61. *Verslagen en Mededeelingen van de Afdeling Handel* (1924) vol. I, 47, and following years; ARA: Archief Economische Zaken, Rijksnijverheidslaboratorium, vol. 25, nr. 4.
  62. *Ibidem*, in particular letters of 10 May 1932, 14 June 1932, 22 June 1932, 2 March 1933; yearly report on 1938.
  63. *E.g.*, *De Rijtuig- en wagenbouw* 5 (1922) I, 9.
  64. ARA: Archief Economische Zaken, Rijksnijverheidslaboratorium, vol. 25, nr. 4, report on 1935.
  65. Two success stories are: *50 jaar Verheul* (s.l. s.a. [1950]) and *In dienst van vuil- en vuurbestrijding. Gedenkboek ... J. Geesink en zoon* (s.l. s.a. [1950]).
  66. *E.g.*, *50 jaar Verheul*, 22-26.
  67. See *De rijtuig-, wagen- en carrosseriebouw* 13 (15 October 1930) and many articles on repairing factory-made vehicles which appeared in this trade journal after 1930.
  68. *De rijtuig-, wagen- en carrosseriebouw* 20 (20 February 1938) VIII, 117.
  69. *Verslagen en Mededeelingen van de Afdeling Handel* (1928) vol. II, 38-42, (1929) vol. IV, 16, 34-38; *Verslag der werkzaamheden van den Middenstandsraad* (1929) 108.



70. F.A.G. Keesing, *De conjuncturele ontwikkeling van Nederland en de evolutie van de economische overheidspolitiek 1918-1939* (Utrecht/Antwerp 1947; Nijmegen 1978) 64-65, 146; W.S.P. Fortuyn, 'Staat en sociaal-economische politiek in de twintigste eeuw' in F.L. van Holthoorn, ed., *De Nederlandse samenleving sinds 1815* (Assen 1985) 284, 286-290.
71. *Handelingen der Staten-Generaal 1919/20*, Appendix A II, ch. X; *1925/26*, Appendix A II, ch. X; *1929/30*, Appendix A II, ch. X.
72. *Verslagen en Mededeelingen van de Afdeling Handel* (1926) vol. III, 8-9.
73. *Verslagen en Mededeelingen van de Afdeling Handel* (1929) vol. IV, 9-10. *Tijdschrift der Maatschappij van Nijverheid* (1916) 249; *Verslag der werkzaamheden van den Middenstandsraad over het jaar 1920*, 115-118.
74. *Verslag van den Middenstandsraad over 1920*, 115-118; *Verslag van den Middenstandsraad over 1922*, 40-44.
75. Keesing, *De conjuncturele ontwikkeling*, 292.
76. ARA: Archief Economische Zaken, Afdeling Nijverheid en Handel, vol. F4528, Meeting of the industrial consultants with the head of the Department of Trade, 15 June 1915; *Verslag der werkzaamheden van den Middenstandsraad over het jaar 1922*, 110; *Tijdschrift der Maatschappij van Nijverheid* (1918) 89-92.
77. ARA: Archief Economische Zaken, Middenstandsraad, vol. 52, nr. LII.
78. ARA: Archief Economische Zaken, Middenstandsraad, vol. 52, nr. LII.
79. Volkov, *The rise of popular antimodernism*, 247, 273-274, 296; R.P.J. Tutein Nolthenius, *Middenstandskernen* (Amsterdam 1907) 17-51, 192-212.
80. J.S. Meuwssen & J. Nouwens, 'Middenstandsorganisatie en -coöperatie in Oostenrijk-Hongarije', *Verslagen en Mededeelingen van de Afdeling Handel* (1910) 1.
81. See note 5 above.
82. Van Lente, *Techniek en ideologie*, 117-118, 120.



# VI

## CURRENCY REFORM IN EUROPE: THE DUTCH CASE (1945-1952)

by

*Jaap Barendregt\**

### *1. Introduction*

A monetary consequence of the Second World War was the imbalance between an increased supply of money and a decreased supply of goods in Europe. Measures against this potential cause of inflation were taken by the European countries in all kinds of different ways. This article will give an overall picture of the monetary countermeasures which were executed to combat the money overhang.

In 1945 a money purge was executed in the Netherlands. This monetary measure was part of the recovery policy of the Catholic-Socialist government and was enacted to neutralize the danger of inflation that was the result of the German occupation (see section 2). The monetary action of the Dutch government was not unique in Europe: between October 1944 and May 1952, 25 money purges were carried out, the one in Corsica included.<sup>1</sup> John Gurley has made a typology of the European currency conversions, a concept that refers to monetary measures 'that reduced, or partially blocked for periods ranging from a few days to several years, the large liquid asset holdings of households and businesses'.<sup>2</sup> In this classification, the crux is the way the money purge was executed (see section 3). All currency conversions had in common that they were aimed at neutralizing money overhang and relieving the burden of government debts. A main difference, however, was the way the change in wealth distribution was treated, a difference Gurley did not consider in his typology, which is based on the form of the purges and not on the differences in the objectives. Most purges also redistributed wealth: some directly, others indirectly through the taxes that were inextricably connected to the monetary reconstruction measures. In this article, the differences in the redistribution of wealth will be elaborated on as well.

Two countries, Italy and the United Kingdom, did not apply a currency conversion. Their way of neutralizing the monetary imbalance will be

discussed in section 3, along with the money purges that did not have redistributive wealth effects. Section 4 will set out the way the money purge of the Netherlands was executed, and section 5 will show the way this was done in all the other European countries that applied redistributive measures.

## 2. Causes and consequences of excess liquidity in Europe

After the war, all European countries experienced an excess liquidity that endangered normal price movements. Germany had imposed war expenditures on the occupied countries, especially in Western Europe, and these countries had incurred debts at home. They had financed about 12% of the German expenditures of approximately 700 billion *Reichsmark* during the period 1939-1945.<sup>3</sup> The forced payments even exceeded the sum of German tax receipts in the years 1943 and 1944 together.

To begin with, the occupied countries had to pay occupation costs. The compensation for the stationing of troops was increased during the war years. The growing costs had to be financed on the money and capital markets of the occupied countries. Furthermore, contributions had to be made to the German war effort in Eastern Europe. The commodity trade imbalance between exports to and imports from Germany increased. The exports were not all paid for. In addition to this extortion, Germany, in order to increase the war contribution of the occupied territory, had decided to overvalue the *Reichsmark* in relation to foreign currency. The exchange rate for the French franc, for instance, was overvalued by roughly 50% if we relate the *Reichsmark* and the French franc to the American dollar, and by 63% if we relate both currencies to the British pound.<sup>4</sup> By way of example, we will focus on the financial occupation burden of the Netherlands.

During the first phase of the occupation, Germany introduced a so-called spearhead currency in the occupied countries, the *Reichskreditkassenscheine*, which could not be used in Germany itself. It considered the *Kassenscheine* as legal tender and used them to spend as much as was thought necessary. The Dutch monetary authorities, however, looked upon the new currency as a threat to the economy. The Central Bank of the Netherlands immediately and successfully started the exchange of *Kassenscheine* for guilders, thus reducing the amount of spearhead currency in circulation. The final bill of f 133.6 million was presented to the Treasury. The German *Reichskommissar* in the Netherlands was willing to stop the issue of *Reichskreditkassenscheine*, if the Dutch Ministry of Finance would provide the German *Wehrmacht* and the German civil servants with Dutch guilders to satisfy their needs on the same footing as before. This agreement meant that Germany could get access to guilders. At first the Dutch had to give f 100 million a month to the *Wehrmacht* and f 3 million to the civil service. By 1944 the average amount paid had risen to about f 150 million a month. In total these so-called costs of

occupation mounted up to approximately *f*7 billion. Contributions to the war against Bolshevism were demanded as well; these so-called tributes mounted up to *f*2.5 billion. All in all, State expenses caused by the war were at least *f*11 billion. When we realize that the total State expenditure in 1939 was *f*1,050.7 million, then we notice that the war had a tremendous effect on the State budget. As a consequence, the State debt increased to *f*10 billion in 1945, which could not all be financed by long-term capital. The remainder of two-thirds had to be covered by short-term capital, mainly by selling treasury bills to commercial banks and the Central Bank. The increase of the money supply, *i.e.*, money plus giro accounts, was partially neutralized by this method of financing, because currency in possession of banks by definition is not money.

The inequality of the relations between the Netherlands and Germany also had its effects on the balance of payments. The German civil service in the Netherlands forced the Dutch clearing institute to pay Dutch exporters in advance; the Germans promised to compensate the clearing institute afterwards. At the end of the war, however, the German import debt to the Netherlands had grown to about *f*6.5 billion. The payment of tributes reduced the debt to 4.5 billion guilders. The overall effect of the balance of payments surpluses and the public debt was a fourfold increase of the money supply to *f*10.9 billion (Table 1): the public debt accounted for an increase of *f*2 billion and the remainder was caused by the balance of payments surpluses.<sup>5</sup>

Table 1 *Dutch money supply during the Second World War* (millions of guilders)

	Paper money	Giro accounts*	Money supply
End of August 1939	1.133	1.507	2.640
End of April 1940	1.167	1.480	2.647
End of April 1941	1.715	2.300	4.015
End of April 1942	2.371	2.789	5.160
End of April 1943	2.680	2.937	5.617
End of April 1944	4.299	4.185	8.484
End of April 1945	5.894	5.014	10.908

Source: P. Liefstinck, *Witboek betreffende de maatregelen tot zuivering van het geldwezen in Nederland* ('s-Gravenhage 1946) 11.

\* This is an estimate concerning the giro accounts of the smaller banks: these were given the pre-war ratio of 1.23 vis-à-vis the four largest banks.

The Dutch money overhang was caused by a decline in production as well. Over the war years, national income fell to a level of 50 to 60% of pre-war income. Several causes of this decline can be mentioned, such as the isolation of the Dutch economy from overseas sellers and buyers, the German

confiscation of stocks, transport material and other production factors, and the transports of Jews, labourers and others to Germany and elsewhere. All in all, the ratio of money supply to national income was seven to eight times the 1938 level of 46% (Table 3). Furthermore, the possession of so many treasury bills by the commercial banks meant that these banks would have an enormous lending-power during the period of post-war recovery. This increased the danger of the excess liquidity.

The consequences of excess liquidity can best be shown by the German situation, because there the inflationary post-war period lasted three years. The German administration had suppressed inflation by price controls, rationing and wage controls, which it had also introduced in occupied countries like the Netherlands. From 1944 on, the effectiveness of the control system had declined. Inflation appeared when production decreased and purchasing power increased, as was shown by rising black market prices. Because of this, the trust in the *Reichsmark* disappeared; more and more the *Reichsmark* ceased to be used as a unit of account, a store of wealth, and a means of payment, except for the purchase of the official rations. The post-war German economy rapidly developed into a barter economy:<sup>6</sup> "Individuals and business firms acquired most of the commodities they wanted by exchange against commodities they had to offer, and a whole series of exchanges were sometimes necessary to obtain the desired commodity. Every firm had several specialists, called 'compensators', on its staff. If, for example, cardboard for packing was needed, the compensator might be obliged to barter the plant's own products for typewriters, the typewriters for shoes, and the shoes for cardboard." Firms also had to pay their employees in kind. Thus, coal miners were paid partly in coal. This enabled the miners to barter coal for food and other desired consumer goods.

All normal economic incentives had ceased to work. Exports were not profitable as long as they were determined by dictated internal prices. Imports did not stimulate the restoration of the economy either, because imported goods immediately disappeared from the official market, and were hoarded as *wertbeständige Güter* or sold on the black market. Employees were not interested in more money, so higher wages to encourage productivity did not work either. Absenteeism for one or two days a week was more interesting for the employees, because that gave them time to cultivate food themselves, and to barter books, appliances, lamps, and the like for food, especially in the bad winter of 1946/7 and after the poor harvest of 1947. To some extent, all these phenomena occurred in the Netherlands as well. Two of the minor aims of the Dutch money purge, therefore, were to stimulate the marketing of farmer's goods and the return to wage labour. The destruction of black market trade was also one of the objectives in the Netherlands.

### 3. Reconstruction without redistributive aims

The excess liquidity was a big problem for the reconstruction effort. The danger of a huge inflation was immanent. Many countries, therefore, decided to cut the money supply drastically. Of the countries that participated in the war, only the United Kingdom and Italy did not make use of a money purge.

The currency conversions, of course, differed in form and had various degrees of success; for instance, Poland, Austria, Hungary, Bulgaria and Rumania had to repeat the conversion. John Gurley has made a typology of European money purges that is useful in this respect. He distinguished three different types (Table 2). In Table 2 Corsica can be added under type two.

Table 2 *Classification of European money purges*

Country	Month and year of reform		Type		
			1	2	3
Belgium	October	1944		x	
Greece	November	1944	x		
Poland 1	December	1944		x	
Yugoslavia	April	1945			x
France 1	June	1945		x	
Austria 1	July	1945		x	
Denmark	July	1945		x	
Norway	September	1945		x	
Netherlands	September	1945		x	
Czechoslovakia	October	1945		x	
Austria 2	November	1945		x	
Hungary 1	December	1945	x		
Finland	December	1945		x	
Hungary 2	August	1946	x		
Bulgaria 1	May	1947		x	
Rumania 1	August	1947			x
Austria 3	November	1947	x		
Soviet Union	December	1947	x		
France 2	January	1948		x	
West Germany	June	1948			x
East Germany	June	1948			x
Poland 2	October	1950	x		
Rumania 2	January	1951	x		
Bulgaria 2	May	1952	x		

Source: J.G. Gurley, 'Excess liquidity and European monetary reforms, 1944-1952', *American Economic Review* 63 (1953) 80.

Firstly, there were the money purges that reduced the supply of liquid assets through the exchange of old bank notes and bank deposits for new ones at rates below par. No blocking measures were taken to support the cut in liquidity, and the economic subjects were free to spend the remaining money. This type of reform was introduced by the two European countries that experienced inflation of more than a 50% price rise per month, namely, Greece and Hungary. Later on Austria (1947) and the Soviet Union followed, imitated by Poland (1950), Rumania (1952) and Bulgaria (1952).

In the second type of currency conversion, a portion of the supply of liquid assets was immobilized by blocking. The bank notes were called in and put on bank accounts, which together with the other deposits could not be used. Only giro transfers were allowed to a limited extent. All assets were valued at par, but only a small portion could be exchanged for new currency. The deblocking of the remaining deposits was a process that took years in some countries. Austria (1945), Belgium, Czechoslovakia, Finland, France and the Netherlands applied this type of money purge.

The third type of currency conversion combined deflated exchange rates with a freeze in blocked bank accounts of the remaining supply of money and deposits. This type of money purge was executed in Yugoslavia, Rumania (1951), West Germany and East Germany.

Greece and Hungary were the only currency conversions of the first type that did not have redistributive effects. Both countries experienced a hyperinflation; the rate of exchange of the Hungarian conversion reached an all time record of 400 octillion-to-one, the exchange rate of the Greek purge was 'only' 50 billion-to-one. Finland and Czechoslovakia were the type-two countries that only blocked the excess liquidity and deblocked all the money later on. Austria initially did not redistribute through its currency conversion either; this was changed in the third money purge which was of the first type. In Finland blocking provisions were employed for 500, 1,000 and 5,000 mark bank notes. The notes were depreciated to 50% and cut in two. The left side of the notes could be exchanged for new currency, and the right side was converted into a three-year forced loan to the State with an interest of 2%. All bank notes with a value below 500 marks could be exchanged at par value. In Czechoslovakia all blocked accounts were gradually deblocked.

Italy and the United Kingdom did not execute a money purge. A currency conversion was widely discussed in Italy. Liberal politicians — more or less the representatives of the Italians who had invested their savings in government bonds — wished to abolish all controls and protectionism, and were against a money purge. They were of the opinion that the confiscation of private liquidities or a forced loan would mean a penalty on saving. This would destroy confidence and harm future financing of public expenditure.<sup>7</sup> The opposing factions advocated the maintenance of controls (rationing and foreign exchange controls) and were in favour of a planned economy. They also propagated a currency conversion with a progressive wealth levy to tax



speculative profits. A decision was postponed; in the meanwhile the controls were dismantled. When prices more or less stabilized in 1945, the plan to apply a money purge was abandoned, the tax on war profits abolished, and a proportional capital levy put off. This levy was imposed in 1947. In fact, price increases were the major 'instrument' that were used to reach an equilibrium between the money supply and the supply of goods. Classical deflationary measures were taken only in October 1947. Then the discount rate was increased and more bank reserves were required.

In the United Kingdom, large Commonwealth sterling balances were a major obstacle for a money purge. Besides, the money supply had only doubled over the six years of war. The banks had lent whatever the government could not borrow from the public, and credits from the banks to the public had been moderate. A planned economy had developed which suppressed inflation. After the war nearly all control measures were continued: consumer rationing and subsidies, price controls, controls over investment, raw material allocation, labour controls, import controls, exchange controls, and so on.<sup>8</sup> One of the aims of these control measures was the containment of inflation.<sup>9</sup> Production increases would have to neutralize the risen money supply. Just as in the Netherlands, the control system was loosened at the end of the forties.

#### *4. The Dutch currency conversion*

As guideline for the money purge in the Netherlands, the principle of monetary equilibrium was used. This theoretical approach had been developed by Wicksell and was elaborated on in the thirties by J.G. Koopmans, a Dutch economist. Monetary equilibrium was defined as the balance between inflationary and deflationary forces. In practice, the Dutch currency conversion aimed at the restoration of the pre-war ratio of nearly 50% between money supply and national income, which was considered as a situation of monetary equilibrium.

During the war years, different groups of persons had discussed the problem of excess liquidity that would arise after the war. Two private groups played an important role: a group of ten persons under the chairmanship of professor G.M. Verrijn Stuart and a small committee of the *Maatschappij voor Handel en Nijverheid* under the chairmanship of professor G.A.P. Weyer, and with the experts J.G. Koopmans, S. Posthuma and M.W. Holtrop, who was appointed President of the Dutch Central Bank in 1946. At the Ministry of Finance a plan had been devised as well. The three groups each had proposed a general blocking of currency and deposits, followed by the conversion of a small amount of money. They had disagreed about the pace of deblocking and the tempo of liberation of the transfer of payments. The Dutch government decided to follow the scenario of slow

deblocking in order to control economic development more strictly. This meant that the plan that had been developed at the ministry was effectuated, in combination especially with elements of the plan of Weyer *et al.*<sup>10</sup>

A problem concerning the conversion was that new bank notes only would be available in late 1945. To tackle black market trade before that time, the government declared void all bank notes of 100 guilders in July 1945; the money was put in bank accounts and ownership was registered for taxation and juridical reasons. In anticipation of a further currency conversion, Dutchmen started to avoid the use of cash and henceforth many payments went by giro and bank accounts. This was reinforced by an announcement by the government that only *f* 300 could be handed in at the time the money purge was executed. All in all, the value of the bank notes in circulation decreased from *f* 5.5 billion to *f* 1.7 billion in late September. At that time, enough new bank notes had been printed to continue with the currency conversion. The three most important objectives of the money purge were formulated by Minister of Finance Lieftinck: (1) a decrease of the excess liquidity, (2) an inventory of liquid assets which would make an investigation into the origin of these possessions possible, and (3) a control over the allocation of the accumulated liquidities in order to satisfy the needs of national prosperity and the state.<sup>11</sup>

As a first step of the second phase of the currency conversion, all Dutchmen received an amount of *f* 10 in new bank notes. The old notes were declared void and had to be handed in during the next week. The *f* 10 was all the cash that each Dutchman could spend in the course of that week; the total amount of paper money in circulation then was only *f* 90 million. During the conversion week, giro and bank transfers with blocked money were also permitted in order to avoid a shortage in the means of payment. During the next week, wages, pensions and the like were paid out again, which caused the first deblocking of money. Generally the release of blocked accounts took place through deblocking measures by the government and, after approval of the tax authorities, through specific deblocking measures by the Central Bank.

In December 1945, the ratio of money supply and national income had almost reached its pre-war level (Table 3). Soon after that, the tempo of deblocking was reduced as planned. However, government money spent on reconstruction, price subsidies, war allowances, and on a war in Indonesia caused the money supply to rise to a higher level than 50% in 1946 and 1947. After that, economic recovery and a slow-down in the increase of the money supply led the ratio to decrease again.

We will now concentrate on the redistributive effects of the Dutch money purge. The information gathered by the inventory of liquid assets was compared with pre-war data about asset holding. In this way, Dutchmen who had earned much money during the war years could be located and

Table 3 *Money supply and national income 1938-1952* (millions of guilders)

	Money supply <sup>a</sup> (12-month average)	National income	Ratio of money supply and national income
1938	2.480 <sup>b</sup>	5.400	46
1945 (May)	10.232	3.000 <sup>c</sup>	300-400 <sup>c</sup>
1945 (Dec)	4.572	8.000 <sup>c</sup>	51 <sup>c</sup>
1946	5.410	9.930	54
1947	6.470	12.070	54
1948	7.190	14.230	51
1949	7.180	15.970	45.0
1950	7.160	17.740	40.4
1951	6.880	19.550	35.2
1952	7.550	20.420	37.0

Source: De Nederlandsche Bank, *Annual reports 1946 and 1953-1956*.

a Coins, notes and giro accounts.

b Average of the beginning and the end of the year.

c Estimated level, from: P. Liefstinck, 'Het Nederlandse financiële herstel 1945-1952; Een terugblik', in: A. Knoester, ed., *Lessen uit het verleden: 125 jaar Vereniging voor de Staathuishoudkunde* (Leiden 1987) 167.

taxed. Two graduated capital levies were imposed in 1946/7, one on capital gains and one on the total value of all possessions minus any debt. They were introduced as a contribution to the fair and economically sound redistribution of the impoverishment caused by the war. The levies were also aimed at a decrease of the blocked accounts and a reduction of the State's debt burden. In the capital levy concerning capital gains, a distinction was made between 'honestly' and 'dishonestly' acquired wealth; the former was taxed at 50 to 70%, and the latter was taxed at 90%. The tariffs of the second capital levy ranged from 4 to 20%. The ultimate yield of the two levies amounted to f 3.2 billion, which caused a large redistribution of wealth indeed, when we compare this amount with, for instance, national income in 1948, the year two-thirds of the yield of the levies was obtained (Table 3). The last of the tax guilders were collected in 1963; the deblocking operation ended in 1952.

##### 5. Redistributive measures in the three types of currency conversions

In most of the Eastern European countries that applied the first type of money purge, the currency conversion was used against the capitalists and for collectivization; unfavourable conversion rights were given to independent farmers and entrepreneurs.<sup>12</sup>

Within this type of currency conversion differences occurred in (1) the rate of exchange accorded between old and new currency; (2) the exchange right permitted to holders of various types of liquid assets, for instance to holders of bank deposits in contrast to holders of bank notes; (3) the exchange rights granted to those holding different amounts of liquid assets. This last aspect shows the redistributive effect that countries, especially in Eastern Europe, sought to achieve by giving large asset holders unfavourable terms on which to exchange their old assets. The fourth difference was the rate of exchange permitted based on the identity of the owner of the assets.

The identity of the subjects was not important in the money purge that was applied in the Soviet Union in December 1947,<sup>13</sup> although a similar effect was reached by a combination of the former three measures. The exchange rate of conversion was fixed at ten old rubles to one new ruble. Deposits of individuals at banks and saving institutions were exempted from this rule. They were converted following a sliding scale: credit balances up to 3,000 rubles at par, the category to 10,000 rubles at three rubles to two, and balances above 10,000 rubles at two old rubles to one new ruble. Nearly all public debt was decreased to one-third. The deposits of cooperatives and collective enterprises depreciated from five old rubles to four new ones. The motivation behind the discrimination in favour of these production units was that they used their deposits more for productive ends than for consumptive ends.<sup>14</sup> Current income of Soviet citizens, such as wages and pensions, was not depreciated, but money in transit, such as money orders and bank transfers, was subjected to the same conversion ratio as normal money: ten to one. This currency reform was accompanied by the abolition of rations and by changes in the prices of consumer goods.

The farmers were the most affected, because cash on hand was hit hardest. In the period before they had accumulated large amounts of money at the kolkhoz market, the only free market that was allowed during the war years. The other groups of the population had not been able to spend much of their income on food and other consumer goods because of the rations and the scarcity in the non-ration stores. The kolkhoz market, therefore, was the most important place where they could satisfy their consumer needs. The farmers, who could not spend their money in the other shops either, took most of it home and lost a huge part of it during the currency reform. The others, who had hoarded less money and had deposited more in the banks, were less affected.

In the second type of currency conversion, the blocking of bank notes and deposits was utilized to register all liquid assets in order to impose progressive taxes, as in the Netherlands. This also happened in Belgium, Bulgaria (1947), France (1945), Denmark, and Norway. Poland (1944) declared void almost all blocked deposits above 500 zlotys. We have used the Dutch example to describe the procedures in this type of conversion (Section 4).

The currency conversion applied by the Western Allies in the three Western zones of Germany is a good example of the third type of money purge. By the middle of 1948 the German economy was almost paralysed. Cigarettes, coffee and tea had become the most widely appreciated units of account and means of payment. Especially cigarettes were inflation-proof. An increased supply did not matter, because when cigarettes had functioned as means of payment, they often disappeared from circulation, they so to speak vanished into thin air. Money had almost ceased to have a function. Manufacturers, businessmen and storekeepers had hoarded all kinds of goods as a store of wealth. The displays of the shops were empty. Nobody wished to be paid in currency and everybody waited for the long expected currency reform that was delayed by disputes between the four Allies about this subject.

In secret, new *Deutschmark* (DM) had been printed in the United States and transported throughout West Germany. From 20 June to 27 June 1948, all *Reichsmark* had to be handed in. From the 21st onward, only *Deutschmark* could be used as currency. Of the money that was handed in, each person regained 40 DM. The rest was put in bank accounts that were all depreciated to 10%. Between 20 August and 11 September, another 20 DM per person could be obtained, of course, under the condition that in June at least 60 *Reichsmark* were handed in. Only those who had no bank account were allowed to receive the *Deutschmark* at an exchange rate of 1:1, the so-called *Kopfgeld*. The others had to pay more for the 60 DM, because all earlier deposits were also depreciated to 10%. The same depreciation was applied to all debts, including the debt of the *Reich*, mortgages, bank loans, and insurance policies. Firms and other employers were entitled to 60 DM per employee in order to meet the first week's payment. Of the bank accounts that were accumulated, 50% would be released after approval of the tax authorities.<sup>15</sup> On 4 October, the other half of the balances was depreciated again to 30%, and one-third of this was to be used for investments in medium and long-term securities. Thereby, the value of the money in bank accounts was decreased to 6.5%. In this depreciation private claims were excluded. This policy was determined by the three Western Allies. The then already residing German administration removed the price and quantity controls. Rationing only remained for basic foodstuffs, rents, transportation, coal, iron and steel. A few months later, wage controls were also abolished.

The effects of the currency reform were startling. On the first day of the reform the shops were filled with goods again. This supply was the main reason for acceptance of money as measure of value by the population. Also, absenteeism at work decreased from 9.5 hours a week in May to 4.2 hours in October;<sup>16</sup> money had become more desirable as a means of exchange.

Still there was criticism on the implementation of the currency reform; not all property had been treated equally:<sup>17</sup> "The owners of real assets were favoured compared with the holders of private claims in the form of loans or

securities,<sup>2</sup> and the latter were in turn favoured as compared with the owners of bank deposits, which were reduced in a larger portion than private claims; among the owners of liquid funds those were favoured who had little cash, since they obtained the *Kopfgeld* at the ratio of 1:1, whereas those with sufficient cash (including RM [*Reichsmark*] bank balances) lost at the ratio of 16:1." In July 1948, 79% of the West Germans thought that certain strata of the population had gained advantages through the currency reform, particularly businessmen, manufacturers, and capitalists. The destruction of savings and its consequences for savings morale were also points of criticism.

Social injustice, however, was not unforeseen. As part of the first American currency plan in 1946, an equalization of the war burden (*Lastenausgleich*) was built in. The Germans had already experienced one in 1924 after the currency reform of 1923/4. Yet, at the last minute the Americans insisted on separating the *Lastenausgleich* and the currency conversion.<sup>18</sup> The *Lastenausgleich* was designed as a mortgage of 50% on the value of all real property and equity holdings. A fund of DM 94 billion was set up to accumulate repayment and interest payments. From this fund people would be paid who had suffered during the war and who were victimized by the money purge.<sup>19</sup> Savings, securities and life insurances, which had vanished by the currency conversion, were compensated with two *Deutschmark* for each ten *Reichsmark* only if they had been kept from 1 January 1940 on. The rest of the expenditure of the fund went to expelled Germans, to victims of the war, and to compensations for lost property in the east of the German *Reich*.

In two countries, Rumania (1947) and East Germany, a quite similar currency reform was put into effect. These countries, however, took redistributive measures concerning economic groups and saving deposits respectively.<sup>20</sup> The reform in the Soviet zone of Germany was applied nearly at the same time as in the three other zones, and was a reaction to the currency measures in the latter areas. The Soviets, therefore, could not introduce a new currency immediately; they slightly altered the old bank notes. In Yugoslavia the blocked accounts were taxed away.

## 6. Conclusion

When the money supply has become excessive, a money purge may be seen as an essential step towards monetary equilibrium. This drastic step was not taken only in Italy and the United Kingdom. All the other European participants in the war applied currency conversions, some more than once. Most of the money purges were aimed at reducing the government debt and at a redistribution of wealth. This happened through taxes or conversion rates below parity. The Soviet and German types of currency conversion made possible the abandonment of control soon after the conversion measures. The Dutch type of money purge caused lengthy deblocking

procedures. In fact, as a result of the non-depreciation of government debt, the private sector held a large amount of treasury bills for a long time. This meant that there was still some danger of inflation after five years of recovery!

Regarding the redistribution of wealth, the differences between the monetary purges were large. In Eastern Europe the currency conversions were used against the capitalists and for collectivization, especially in the agricultural sector. The German money purge favoured the owners of real assets at the expense of savers and owners of liquid funds. In the Netherlands the redistribution of wealth occurred at the expense of the capital owners; they had to pay capital levies which would have a present-day value of more than f20 billion.

## NOTES

- \* The author gratefully acknowledges J.L. van Zanden for his remarks.
- 1. During World War Two, Corsica was Italian territory. A few years after the war it became French again.
- 2. J.G. Gurley, 'Excess liquidity and European monetary reforms; 1944-1952', *American Economic Review* 63 (1953) 76-100. Gurley uses the expression 'monetary reform'. I prefer the expressions 'money purge' and 'currency conversion' because they better define the character of the monetary measures.
- 3. K.-H. Hansmeyer & R. Caesar, 'Kriegswirtschaft und Inflation', in: Deutsche Bundesbank, *Währung und Wirtschaft in Deutschland 1876-1975* (Frankfurt am Main 1976) 367-429.
- 4. A.S. Milward, *War, economy and society 1939-1945* (Berkeley/Los Angeles 1979) 137; Ch.P. Kindleberger, *A financial history of Western Europe* (London 1984) 104.
- 5. P. Liefstinck, *The post-war financial rehabilitation of the Netherlands* (The Hague 1946) 8-9.
- 6. F.A. Lutz, 'The German currency reform and the revival of the German economy', *Economica* 16 (1949) 122-142.
- 7. S. Podbielski, *Italy; Development and crisis in the post-war economy* (Oxford 1974) 13.
- 8. A. Cairncross, *Years of recovery; British economic policy 1945-1951* (London 1985) 334.
- 9. Other important objectives were the restoration of the external balance and the stability of employment. Concerning the inflation: consumer prices increased by 35% from 1945 to 1951, which is about 5% a year, including the boom year 1951.
- 10. Liefstinck, who executed the money purge, in his published life story (*Pieter Liefstinck 1902-1989* (Utrecht/Antwerp 1990) by A. Bakker & M.M.P. van Lent) stated that the Weyer plan had been applied, but in my opinion, the basic ideas of the currency conversion came from the plans developed at the Ministry itself. For instance, the idea to limit cash transfers and money supply by permitting giro and

bank transfers with blocked accounts, and the idea of favouring holders of giro and bank accounts in the deblocking procedure.

11. P. Liefstinck, 'Het Nederlandse financiële herstel 1945-1952; Een terugblik', in: A. Knoester, ed., *Lessen uit het verleden; 125 jaar Vereniging voor de Staathuishoudkunde* (Leiden 1987) 159-189. The money purge was not applied to Dutch coins, because of organizational reasons, and to bank notes of 1000 and 500 guilders, because they had already been taken out of circulation during the war.
12. In Bulgaria (1952) and Rumania (1952) blocked accounts representing compensation for nationalized property were also written off; see: E. Ames, 'Soviet bloc currency conversions', *American Economic Review* 44 (1954) 339-353.
13. In 1947 the supply of consumer goods had been improved very much. That is why the Soviets thought the end of 1947 to be the first opportunity to abolish rationing and to drain the money supply.
14. Ch. Bettelheim, 'La réforme monétaire Soviétique', *Revue Économique* (1950) 341-353. See also: F. Grotius, 'Die europäischen Geldreformen nach dem Zweiten Weltkrieg', *Weltwirtschaftliches Archiv* 63 (1949) 106-152, 276-325; P.A. Baran, 'Currency reform in the USSR', *Harvard Business Review* 26 (1948) 194-206.
15. This release was completed in January 1949.
16. Lutz, 'The German currency reform', 133.
17. Lutz, 'The German currency reform', 127. In his note 2 he remarks: 'The owners of real estate have had their mortgage reduced in the ratio of 10:1; they continue, however, to pay interest on the full original amount of the mortgage, and nine-tenths of their payment goes to the land in which the property is situated'.
18. Ch.P. Kindleberger, *A financial history*, 418, claims that one person, Kenneth Royall, in nominal charge of the occupation forces, prevented the *Lastenausgleich* with his ideological objection to a capital levy as contrary to the American way of life.
19. H. Möller, 'Die Westdeutsche Währungsreform von 1948', in: Deutsche Bundesbank, *Währung*, 433-483.
20. In Rumania farmers were allowed to exchange 5 million lei per family and all others 1.5 million lei per person; F. Grotius, 'Die europäischen Geldreformen', 318. The currency reform in West Germany did not make distinctions between economic classes, but was disadvantageous for large money holders, including, for instance, farmers.



# VII

## HARD WORK! IDEOLOGY AND INTEREST IN DUTCH ECONOMIC POLICY AT HOME AND ABROAD BETWEEN 1945 AND 1951

by

*Erik Bloemen*

Traditionally an open economy and very dependent on exports and imports, Dutch economic interests are not hard to define. The foreign policy of the Netherlands in the twentieth century can be described, aside from aspects related to national security, as a battle against protectionism. In the thirties the tide was against the Dutch, and directly after the war prospects still looked grim, each country only having its own recovery in mind. A mere decade later, however, six countries concluded a customs union. With that, the Dutch obtained (the promise of) free access to the markets of their most important trading partners.

From a Dutch point of view, the history of the founding of the European Economic Community (EEC) could be written as a pastiche of Wibberley's fairy tale about the battle between the mouse and the lion. Alas, the story is much more complex, as can be learned from Hanns Jürgen Küsters' book, the first study on this subject based on research in the archives.<sup>1</sup> According to Küsters, a wide range of factors are needed to explain the success of the negotiations that led to the Treaties of Rome in 1957. He mentions, for example, the special negotiation procedures, the skills of Paul-Henri Spaak and the Suez debacle, which made the French realise they were no longer a world power. Two factors, however, stand out in his analysis: firstly, the economic weaknesses of the Six and the wish to raise productivity and prosperity and, secondly, the shared conviction amongst the political elites that integration by means of a supranational organisation was a prerequisite for further economic and social development.

From a distance this explanation may seem convincing, six countries getting what they want, six fairy tales in one. But when we take the magnifying glass and study the economic interests more closely, some questions jump to mind. In the case of the Dutch, why did they allow themselves to get locked-up in a customs union that was more protective

than they had intended and that excluded some of their major trading partners, such as Great Britain? Because Küsters speaks only in general terms about economic interests, these sort of questions are left aside. Nor does it become very clear which relations existed between the internal and external economic policies or between the economic and social policies.

Küsters' book is a big step forward compared with older studies which put all the emphasis on the visionary minds of people like Jean Monnet. However, although he stresses the importance of economic interests, they are not really integrated in his main story, the course of the negotiations. Precisely this, the integration of economic and political history, is necessary to understand the process of Western European reconstruction since 1945. Some attempts in this direction have been made, mainly in the Anglo-Saxon world. I shall use the debate between Michael Hogan and Alan Milward on the importance of the Marshall Aid for post-war reconstruction as a startingpoint to discuss the recent Dutch literature that could contribute to a better understanding of these post-war developments. I will not try to cover the whole period from the end of the war until the signing of the Treaties of Rome, but I will concentrate on the early period up till 1951. In those years we see a new economic policy being formulated and subsequently translated into a foreign policy.

### *1. Europe and the Marshall Plan*

An integrated Europe looking like the United States of America is what the Americans had in mind in launching the Marshall Plan, and that is, according to Michael Hogan, what they more or less achieved.<sup>2</sup> The Marshall Aid has not only led to the founding of the Organisation for European Economic Cooperation and the European Payments Union, but also to the founding of the European Community of Coal and Steel and, later, of the EEC. The funds gave the Americans the political leverage to achieve what they wanted, although admittedly at a smaller scale than originally intended.

Hogan's statement is a direct attack on Alan Milward. In his great book *The reconstruction of Western Europe*, Milward comes to the conclusion that Marshall Aid was not important enough to give the United States sufficient leverage to reconstruct Western Europe according to its own wishes. The European Recovery Program allowed the European economies to achieve high rates of capital formation, but in most cases they could have reached the same targets without the Marshall funds by reducing other imports.

Milward finds the explanation of the integration process in Europe itself: 'the very limited degree of integration that was achieved came about through the pursuit of the narrow self-interest of what were still powerful nation states'.<sup>3</sup> Provocatively summarized: 'The Schuman Plan was called into existence to save the Monnet Plan'.<sup>4</sup> There is little room left for idealism in

Milward's story. European integration was created by national bureaucracies out of the internal expression of national political interest, not by the major statesmen who implemented them. The results, such as the ECSC, the Common Agricultural Policy and the Common Market, were designed to resolve particular and limited problems.

Hogan rejects not only Milward's conclusions, but also the economic analysis on which they are based. Accusing Milward of 'analytical legerdemain' he argues that the option of reducing other imports such as food was not available 'to the fragile coalitions that presided over many of the participating countries, none of which could retreat from already low levels of consumption and hope to survive'.<sup>5</sup> Following Stephen Schuker, Hogan calls the effect of the Marshall Plan 'the crucial margin' that made European self-help possible.<sup>6</sup> Admittedly, although the European elites tailored the American initiatives to their own specifications — and a lot more would have been achieved if the Europeans had been more cooperative — the results were still impressive.

The ultimate goal the Marshall Planners had in mind was 'a prosperous and stable European community secure against the dangers of Communist subversion and able to join the United States in a multilateral system of world trade'.<sup>7</sup> To achieve this goal they strove not only after international liberalization and integration, but also promoted national consensus by trying to unite the different social groups around a common political and economic agenda. The main point on the agenda was a shared commitment to economic growth and productivity. Comparing the bilateral and unstable world of 1947 with the liberalized and prosperous world of the early sixties, Hogan concludes that Europe has made a big step forward and that the USA deserves a fair part of the credit.

Hogan has not been able to convince Milward. In an extended book review in *Diplomatic history*, Milward has counter-attacked, firing in passing some shots at Charles Maier who has coined the phrase 'politics of productivity' to characterise the American diplomacy versus Western Europe.<sup>8</sup> It is wrong, Milward argues, to ascribe the post-war political consensus to this ideology of productivity, because that is putting ideas before the events that generated them. It seems to him that the West European governments did not accept this ideology before the middle and late 1950s. The consensus itself, however, was created in the years directly after the war by the restored national governments, desperate for political legitimacy. In these circumstances, governments were more sensitive to popular demands than before the war. This explains, for example, the massive wage increases in France and Belgium, the welfare measures in Belgium, Britain and Italy, and the acceptance of organized labour as a part of the government managerial machine in most countries.

In one important respect Milward, Hogan and Maier agree, namely, in the observation that 'a deep intellectual harmony joined the creators and

administrators of the Marshall Plan and successful post-war West European politicians'.<sup>9</sup> But they draw different conclusions from this observation. Milward argues that this fact reduces the importance of the Marshall Plan. Without it, the world would not have looked much different. For Maier and Hogan this intellectual harmony was a prerequisite for the success of the American politics of productivity, but these politics themselves were mainly responsible for the 'unparalleled growth' of the 1950s and 1960s.<sup>10</sup>

The relevance of this debate is, of course, not how grateful the Europeans should be towards their overseas friends. The authors try to understand the causes of a 'uniquely long period' of stability, peace and economic growth in the Western World. In the following sections, I shall examine how the recent literature on the Netherlands fits in with their findings.

## *2. The Netherlands and the Marshall Plan*

When Milward writes that the West European countries could have maintained their growth rates of capital formation without Marshall Aid by reducing other imports, he makes an exception for two countries, France and the Netherlands. As far as the Netherlands is concerned, not only had the Dutch economy been more damaged by the war than most other countries, it had also lost its main trading partner, Germany. One of the consequences was that more capital goods had to be paid for in dollars, and this led to an acute dollar shortage. Logically, the announcement of the Marshall Aid was heartily greeted.

The next step was to get as big a slice of the pie as possible, and in this, the Dutch were quite successful, receiving a relatively high amount of dollars per head of the population. To explain the American benevolence towards Holland, Benelux is often mentioned. The creation of Benelux, the Americans hoped, would be a lesson in integration to the other countries. The Dutch were well-aware of the American feelings and tried to make the most of it, even when the integration process in Benelux itself stagnated.<sup>11</sup>

The wish to safeguard their Marshall Aid was also one of the reasons why the Dutch participated in the so-called Fritalux/Finebel negotiations.<sup>12</sup> In October 1949, the Americans, dissatisfied with the progress made on the path of integration so far, threatened to withdraw their support. At the same time, they made a vague promise of a reward for groups of countries that came up with interesting initiatives. Since the spring of 1949, on France's initiative, talks had been going on between France, Belgium and Italy about the mutual liberalisation of trade and flexible exchange rates. Only in October were the Dutch asked to join. While a trade bloc without Germany and Great Britain seemed very unattractive, they were afraid to turn the offer down, one reason being the American announcement of a reserve fund for regional cooperation.

The reserve fund was never founded because the Americans came to realize that different currency groups would be disastrous, and they successfully put all of their pressure on the British to join a European Payments Union (EPU), which restored intra-European convertibility. The Fritalux/Finebel negotiations came to a standstill early in the spring of 1950, without ever being formally closed. They did not lead to any concrete results, although one can argue, as Richard Griffiths and Frances Lynch suggest, that the Schuman Plan was the lowest common denominator of all the different plans discussed in these talks, instead of a bold design for Europe's future.<sup>13</sup>

The Dutch policy in the different negotiations that went on during these years was fairly consistent and came close to the American point of view. In the different arenas, they fought for the liberalisation of trade. That implied in the Dutch and American views, in the first place, the restoration of convertibility, the removal of quotas and the lowering of tariffs. The difference between the standpoints was that liberalisation of trade was just one step on the road to full political and economic integration in the American philosophy, while the goals the Dutch policy makers had in mind were much more down-to-earth, namely, economic growth, equilibrium in their balance of trade and full employment.

Convertibility was important to the Dutch because they imported primarily from strong currency countries and exported primarily to weak currency countries.<sup>14</sup> Still, as long as they imported more than they exported, complete convertibility would mean the loss of the small reserves of gold and dollars. That is why they supported the British, as cautiously as they could, to construct the EPU in a way that these risks were minimized. They had to be cautious, not only to save their reputation as free traders, but also because a direct confrontation with Europe's strongest currency country, Benelux partner Belgium, would have raised some eyebrows. They had to behave well, because from then on Marshall Aid was distributed through the EPU.

How important were the Marshall dollars for the Netherlands? Recently Pieter Lieftinck, Minister of Finance from 1945 until 1950, has reiterated in his memoirs the traditional view that Marshall Aid came just in time to avoid a disaster. 'The recovery would have come almost to a standstill'.<sup>15</sup> So far the most elaborate effort to calculate what 'almost' exactly means has been made by Pierre van der Eng in his book on the Netherlands and the Marshall Plan. The results are not very shocking and are in line with the findings of Milward. According to Van der Eng, without Marshall Aid, the growth of the National Income would have been delayed with one year and of national expenditures with 1.3 years. Per capita consumption would have suffered a more substantial delay of 5.6 years.<sup>16</sup> The assumptions on which these outcomes are based are very debatable, but better estimates are not available. If we accept them as rough indications, it would mean that the economy would not have collapsed, but that the people would have had to shelve their dreams of a better life for many more years. The question is whether they

would have accepted that. Another point in considering the importance of the Marshall Aid is its ideological impact. According to Maier and Hogan, the Marshall Plan was the vehicle that brought the 'politics of productivity' to Europe, helping to stabilize the war-shaken societies. We shall see in what respects this holds true for the Netherlands.

### *3. Politics of productivity*

The large amount of Marshall dollars the Dutch walked away with can be explained by other factors than by their Benelux image. A funny explanation for this result has been given by Ernst van der Beugel, Director of the Dutch Office for the European Recovery Program. When Paul Hoffman and Averell Harriman, the American leaders of the organisation, came to Holland to acquaint themselves with the state of affairs, they were received by the Prime Minister Willem Drees in his own house. The fact of the matter is that Drees lived in a simple middle-class house in a dull street in the dullest neighbourhood in The Hague. This reception came as a surprise to the two Americans who had just been treated like kings in Rome. When they left, Van der Beugel overheard Hoffman saying to Harriman: 'In a country where the Prime Minister lives like this, our money is well-spent'.<sup>17</sup>

Of course, this is just an anecdote, but it points to an important fact: the years after the war were years of soberness and Drees set the example. Unlike in France and Belgium, the liberation did not bring about a dramatic rise in wages. On the contrary, the Dutch economic recovery was based on a policy of low wages, which lasted until the end of the 1950s. This policy was not brutally imposed on the people. From 1945 onwards, the necessity of it was endlessly explained by the politicians, the leaders of the trade unions and everybody else who felt called to do so.<sup>18</sup> By analogy with the politics of productivity, one could speak of the politics of soberness and hard work.<sup>19</sup> The obligation to work hard was the second element in this ideology. If we look at the posters of those early years we see strong, muscled and willful men.

The term productivity came in vogue later, indeed, through the Marshall Plan. Furthering productivity was one of the official purposes of the European Recovery Program, and the OEES countries had expressed their intention to raise the productivity of labour by fifteen percent between 1948 and 1952.<sup>20</sup> In the Netherlands a working-group 'Technical Assistance' was installed in November of 1948, which was transposed into the foundation *Commissie Opvoering Produktiviteit* (COP) in 1950.<sup>21</sup> A new phenomenon was introduced in Cabinet in 1951, namely a Minister without a portfolio and with the special task of promoting productivity.

The activities of the COP financed by the Marshall counterfunds were manifold: study tours of groups of farmers, employers, trade unionists and

others to the United States, visits of American experts to Holland, the publication of reports, propaganda leaflets and even comic strips with an educational value, and so forth. The COP tried to get the message through to the whole population, even to the housewives: 'Raising productivity starts at home.... You can take care that he or she who has to go to work can be there in time'.<sup>22</sup>

This quotation shows that the notion 'productivity' was used in a very wide sense. In its first note, the COP mentioned three types of problems which influenced productivity: unnecessary delays, a lack of skills, and the workers' lack of ambition to do their utmost best. It was pointed out that the main causes for these problems were faults in internal organisation and a bad atmosphere in the company. The solution was provided by the methods of 'scientific management' and the new American approach which stressed the importance of personal well-being, known as 'the human relations movement'. The COP's first note was rather coherent, but this coherency then disappeared. Almost everything seemed to have some sort of relation with productivity. According to Dercksen, the only common denominator was the conviction that everything was better in the United States: 'standardisation is needed because in the U.S. ....; a shift system is needed because in the U.S. ....; scientific management is needed because in the U.S. ....'.<sup>23</sup>

It is hard to say exactly when such a thing as an ideology of productivity got hold of the Dutch population, if it ever did, but it is quite certain that since at least 1950 the government and its subsidiaries did their best to propagate the idea. The question is, however, what was new about this notion of productivity. What was the real difference with the earlier propaganda of 1946-48 that the people should work harder to bring back prosperity? At first glance there is a world of difference between the primitive, sweaty notion of working harder and the sophisticated idea of productivity, but my argument is that this is merely a question of words. If we look at the stream of literature on management that was published in the Netherlands directly after the war, we find all of the arguments which were used later by the COP.<sup>24</sup> Only the *word* productivity is missing. The authors used the pre-war term rationalisation instead, which was blotted with the stain of unemployment since the 1930s. So they happily traded it in when the undefiled word productivity appeared on the horizon.

The idea of rationalisation dates back to the 1920s and contains as many different elements as the later idea of productivity. At its root lies the ideas of the American Frederick Taylor who formulated his views at the beginning of this century. Although Taylor wrote in a very derogatory way about trade unions, his work, curiously enough, became very popular in the Netherlands among Social Democrats and trade union leaders.<sup>25</sup> The reason for this was that in their eyes raising productivity could lead to an improvement of the standard of living. The United States was seen not only as the country of

naked capitalism, but also as the country with the highest wages in the world. Besides, scientific management contained ideas that came very close to socialist thinking, namely, the concept of planning. The Protestant and Catholic parties, which dominated Dutch politics in the interwar period, were much more hesitant, mainly because they feared that industrialisation itself would deprave the soul of the common man and because they saw Taylorism as the embodiment of a new godless world. Attitudes, however, began to change slowly in the 1930s when, under pressure of the Catholic party, a cautious beginning was made with industrialisation plans on a regional scale.<sup>26</sup>

The point is that before the war the American ideas on efficiency and productivity were better known and more popular than is often thought. But as long as the farmers oriented Protestant *Anti-Revolutionaire Partij* (ARP) was in power, something like politics of rationalisation was not feasible. That was to change after 1945 when the ARP was not a part of the Cabinet. The new industrial policy, however, would not be purely American, but clearly had Dutch overtones.

#### 4. *New politics*

The new Cabinet after the first post-war elections in 1946 was a break with the past in the sense that for the first time the Social-Democratic party, the *Partij van de Arbeid* (PvdA), was allowed to play a main role along with the Catholic party, the *Katholieke Volkspartij* (KVP). These two parties were to dominate Dutch politics until 1958, when the PvdA was banished to the opposition seats. The composition of the Cabinet was something new, but the views of the parties showed continuity with the pre-war era. In the case of the PvdA that meant a very moderate, almost technocratic form of socialism, heavily influenced by Protestant ethics and strongly opposed to Communism.<sup>27</sup> The continuity in Catholic thinking lies in the aforementioned fact that as early as the 1930s they were already orientating themselves on industrialisation and on a bigger role for the government in social legislation. To make progress in these fields, they needed the cooperation of the PvdA. They also needed the Social-Democrats for another reason. In the 1946 elections the Communists had received more than ten percent of the votes. There was fear of a radicalisation of the workers. With the PvdA in the Cabinet and the Communists out of it, the Left was divided.<sup>28</sup>

Since 1922, the Catholic party had adhered to the doctrine that they would participate in a government with the Social-Democrats only in the face of utter necessity. The logical question is whether this was the case in 1946. Was the Communist danger so imminent and had the traditional parties lost their political legitimacy? The Catholic leaders were certainly worried about that last possibility. After the war they changed the party's name from the



Catholic State Party into the Catholic People's Party. They also supported the idea to give the old trade unions (not the new union with links with the Communist party) more influence. This does not prove that the political stability in the Netherlands was in danger, but only that the party was afraid of losing votes. The 1946 elections showed that these fears were exaggerated, even though the Communists were quite successful. Their ten percent of the votes, however, would prove to be their all time record, and from then on their popularity declined.

Most Dutch historians do not see the war as a turning point in political life.<sup>29</sup> Despite the fact that some parties changed their name, the majority of the electorate remained faithful to its traditional party. But a strong loyalty to their own party does not mean that the Dutch did not agree on many issues. From the many inquiries which were held in the first post-war years, the picture emerges of a broad consensus on many questions. In the context of this article, the questions on productivity are of interest. When asked (in 1947) whether the Dutch could pull through by working hard, living soberly, and saving a lot, 74% of those questioned agreed, while 21% disagreed. There turned out to be less consensus on the question of whether people actually worked harder before or after the war. In November of 1947, 59% said most people worked harder before the war, and 10% said after the war, while 22% could not see a difference and 9% had no judgment. In March of 1950, the answers to the same question gave a slightly different picture: now 51% thought that people did not work as hard as before the war, and the percentage of those who thought people worked harder had risen to 20%. For another 20% there was no difference, and 9% still could not make up their mind.

These figures suggest at first sight that the government's campaign to urge the people to work harder was not very successful. Hans Blom, who collected these inquiries, gives a different and more convincing interpretation.<sup>30</sup> He noted that as soon as people were asked to judge their own efforts, the percentages became much more favourable. He explains this discrepancy the other way around. People were constantly told by the government and the press that they did not work hard enough, so they started to believe it, except in their own case because they knew better. The message was understood because it linked up with the very strict labour morals which still reigned in Holland.

Since the end of the nineteenth century, the Netherlands had become one of the most decent nations in the world. Whether one looks at alcohol consumption, illegitimate births or strike frequencies, all the figures show that the Dutch were relatively decent.<sup>31</sup> This is usually ascribed to the so-called process of 'pillarisation'. The Dutch organised themselves in different camps (for example, Protestant, Catholic and Socialist), and inside these camps strict social control was exercised. The result was a very stable political system and a very disciplined working class. This situation still existed in

1945. That is why the low wage policy and the politics of soberness and hard work (and of productivity) were so easily accepted. This also explains in part why these politics were successful.

The COP and other government agencies published several reports in the early 1950s which showed that the state of productivity was dramatic.<sup>32</sup> In reality, however, productivity recovered very well after the war, and during the 1950s the Dutch were amongst the front runners. According to Angus Maddison, there was a wide gap in 1950 in labour productivity between the United States and Europe, but inside Western Europe, the Netherlands took a third place behind Great Britain and Sweden, and in 1960 they had surpassed the British to take the second place.<sup>33</sup> Van Zanden and Griffiths argue that the high productivity was caused by different factors: the openness of the Dutch economy which obliged every sector to compete with the rest of the world, a very efficient agricultural sector, a relatively big service sector with high earnings, and an efficient industrial sector. They suggest that industrial productivity was related to the discipline of the working force that did not resist the new management techniques to raise efficiency.<sup>34</sup>

##### *5. Dutch trade policy revisited*

In the preceding paragraphs we have discussed some characteristics of the Dutch society and economy which distinguish them from other Western European countries. The question I now want to raise is whether these traits are also discernable in the foreign policy concerning economic integration. I do not want to look for a typical Dutch style of diplomacy, but I return to the opening statement of this article that the foreign policy of the Netherlands can be described as a constant battle against protectionism. Were the Dutch really the free traders of the world, and is that why they played such a big role in founding the EEC?

Wendy Asbeek Brusse argues that the instruments the Dutch used in their commercial policy were not strikingly different from those of other countries wanting to maintain their freedom to manipulate the flow of imports and exports as much as possible.<sup>35</sup> The Dutch waged war against tariffs in front of every audience they could find, but they were not prepared to give up their own protectionist weapons, namely, quotas. The problem with the Dutch stance was that the use of quotas was generally condemned, while tariffs were recognised as legitimate means of commercial policy. That meant they had to move carefully. Their adherence to quotas was so strong that in 1950 they even considered the possibility of leaving GATT.<sup>36</sup> The conclusion was, of course, that they would lose more than they could possibly gain, but just the fact that this was considered to be a serious option is significant.

The aversion to tariffs and the sympathy for quotas can be understood by looking at the domestic economic policy. A low tariff world was needed not

only to safeguard export markets, but also for cheap imports. Cheap imports were necessary to keep wages low. Quotas, on the other hand, were used as an instrument to protect the infant industries which were foreseen in the industrialisation plans.

Industrialisation based on low wages and high efficiency was the core of Dutch post-war economic policy. Where high efficiency meant more production, the home market would become too small. Also for this reason, low tariffs were a natural wish of the Dutch. With these interests at stake, they could not afford to be too fastidious in how they reached their goals. Hopping from GATT to OEEC, Finebel, Benelux, EPU, ECSC and back, they did their best to cash in on the little bargaining power they had as a small country.

Visions of a truly integrated Europe played a minor role in all of these diplomatic activities, as can be seen from the negotiations on the Schuman Plan.<sup>37</sup> No other country was so vehemently opposed to extensive supranational powers for the High Authority as the Dutch, and it was on their insistence that a Council of Ministers was created. The logic behind Dutch thinking was once again their own economic policy. What they wanted was 'a low cost, low price community'.<sup>38</sup> To achieve that, they had to cross their fellow Benelux partners from Belgium who wanted to protect their less efficient coalmines and demanded higher minimum coal prices. The Dutch were afraid this would jeopardize their low wage policy. For the same reason they opposed every proposal that could possibly lead to harmonisation of wages, just like they did in the Benelux negotiations with their better paid Belgian colleagues.

Dutch economic interests also stand out quite clearly in the so-called Mansholt Plan on agriculture in the form in which it was accepted by Cabinet in October 1950.<sup>39</sup> Since the war, the walls of protection for agricultural products were rising almost everywhere, and especially the Dutch primary staples—dairy products, meat, fruit and vegetables— which had a low priority in countries trying to save foreign currency were hit hard. Sicco Mansholt, the Dutch Minister of Agriculture, hoped to reverse this trend by creating a supranational organisation with the task of removing all trade barriers. During a transitional period, which he believed would be a very long one, there should be a common producer price which should be low enough to stimulate productivity improvements, but not so low as to cause production to fall. 'Low cost countries could, if they wished, maintain a domestic price level below that of the European producer price but they would undertake to trade within the community at the European price level'.<sup>40</sup> This way the Dutch would be able to maintain their low wage policy, and at the same time, new export markets would be opened with higher prices. Unfortunately, it came to nothing.

## 6. Conclusion

There are many more connections between Dutch domestic politics and foreign politics than just mentioned. For instance, Drees was very reluctant to agree with a liberal clause in the treaties of Rome on labour migration because he feared an invasion of communist (!) Italians. And in 1971 the Dutch were the last to ratify the EEC convention for equal pay for men and women. By way of conclusion, I want to stress two points. First, the new elements in the Dutch economic policy, *i.e.* the industrialisation plans and the low wage policy, often collided with the traditional endeavours for free trade. Dutch politicians had to act like professional rope-dancers to find the balance between their different interests to convince the spectators from abroad. If there were American politicians who thought that the Dutch were merely following the American lead, it would only mean that the Dutch were very fine equilibrists. Second, there was no compelling logic that the Dutch aims could only be reached by way of a customs union of the Six. As a matter of fact, the Dutch had their strong reservations and repeatedly tried to find a solution in broader circles. And even after the signing of the treaties of Rome they still wanted to keep as many options open as possible. The key to understand their sometimes contradictory policy abroad lies in the ideology and interests as they were formulated and perceived at home in the first post-war years.

## NOTES

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3. A.S. Milward, *The reconstruction of Western Europe 1945-1951* (London 1984) 492.
4. *Ibid.*, 475. The Schuman Plan laid the foundation of the ECSC, and the Monnet Plan is the national French economic modernization plan.
5. Hogan, *The Marshall Plan*, 431.
6. *Ibid.*, 432.
7. *Ibid.*, 427.
8. A.S. Milward, 'Was the Marshall Plan necessary?', *Diplomatic History* 13 (1989) 231-253; Ch.S. Maier, *In search of stability; Explorations in historical political economy* (Cambridge 1987).
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  16. P. van der Eng, *De Marshall-hulp; Een perspectief voor Nederland 1947-1953* (Houten 1987) 169.
  17. E.H. van der Beugel, 'Drees als minister en minister-president', H. Daalder & N. Cramer, *Willem Drees* (Houten 1988) 151-158, 158.
  18. H. de Liagre Böhl, J. Nekkens & L. Slot, eds, *Nederland industrialiseert; Politieke en ideologische strijd rondom het naoorlogse industrialisatiebeleid 1945-1955* (Nijmegen 1981).
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  20. Van der Eng, *De Marshall-hulp*, 191.
  21. W.J. Dercksen, *Industrialisatiepolitiek rondom de jaren vijftig; Een sociologisch-economische beleidsstudie* (Assen/Maastricht 1986).
  22. Cited by Dercksen, *Industrialisatiepolitiek*, 164.
  23. *Ibid.*, 184.
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  25. E.S.A. Bloemen, *Scientific management in Nederland 1900-1939* (Amsterdam 1988).
  26. P.E. de Hen, *Actieve en re-actieve industriepolitiek in Nederland* (Amsterdam 1980).
  27. See for the backgrounds of the (very positive) reception of the Marshall Plan by the PvdA: F. Wielenga, 'De Partij van de Arbeid en het Marshallplan', *Het vijfde jaarboek voor het democratisch socialisme* (Amsterdam 1983) 128-159. For the reception by the NVV (trade union linked with the PvdA): H. Langeveld, 'Die niederländische Gewerkschaftsbewegung und der Marshall-Plan', in: O.N. Haberl & L. Niethammer, eds, *Der Marshall-Plan und die europäische Linke* (Frankfurt am Main 1986) 381-406.
  28. J. Bosmans, 'Het maatschappelijk-politieke leven in Nederland 1918-1940', *Algemene Geschiedenis der Nederlanden; Vol. XIV* (Haarlem 1979) 200-253; A. Visser, *Alleen bij uiterste noodzaak? De rooms-rode samenwerking en het einde van de brede basis 1948-1958* (Amsterdam 1986).
  29. Kossmann, *De Lage Landen*, II, 234.
  30. Blom, 'Jaren van tucht', 136.
  31. J.L. van Zanden and R.T. Griffiths, *Economische geschiedenis van Nederland in de 20e eeuw* (Utrecht 1989) 14.

32. Dercksen, *Industrialisatiepolitiek*, 156. Dercksen and others have taken these reports of the COP and others at face value and give a far too negative portrayal of Dutch productivity in the early 1950s.
33. A. Maddison, *Phases of capitalist development* (Oxford 1982) 212.
34. Van Zanden and Griffiths, *Economische geschiedenis*, 19.
35. W. Asbeek Brusse, 'The Stikker Plan', in: Griffiths, *The Netherlands*, 69-92.
36. *Ibid.*, 75.
37. R.T. Griffiths, 'The Schuman Plan', in: Griffiths, *The Netherlands*, 113-136.
38. *Ibid.*, 122.
39. R.T. Griffiths, 'The Mansholt Plan', in: Griffiths, *The Netherlands*, 95-111; W.H. Vermeulen, *Europees landbouwbeleid in de maak; Mansholts eerste plannen 1945-1953* (Groningen 1989).
40. Griffiths, 'The Mansholt Plan', 96.

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#### FROM THE EDITORS

The Editorial Committee has the pleasure to announce that a premium has been awarded to Jan Luiten van Zanden for his article 'Dutch economic history of the period 1500-1940: a review of the present state of affairs', which appeared in the first Volume of this Journal. This premium, offered for survey articles, has been awarded by the Social Science Council of the Royal Netherlands Academy of Science.









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