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[See table of contents](#)

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Margarine in Newfoundland History

WELF H. HEICK

THE CLICHE THAT THERE IS an exception to every rule holds true in the story of margarine in Canada.¹ The role of this food in Canadian society has generated substantial controversy, for example in 1886 over the initial legislative response which led to a ban on importation, manufacture and sale of the material. This ban remained in force until 1948, except for the period from 1917 to 1924, when the ban was lifted to help meet food needs during World War I. The efforts to end the ban in the years after World War II were finally successful, but they caused much controversy. Since 1950 the competition between the butter producers and margarine manufacturers, each seeking a greater share of the market, has generated much heat in the marketplace and the media.²

Up to 1949 Newfoundland was not a party to most of this conflict. As parts of a political entity separate from the Canadian Confederation, the Newfoundland government and business community dealt with margarine to meet local needs. The basis of this response lay in geography and history. Climatically Newfoundland is not suited to the support of a dairy industry. Cows in the colony needed stabling nine months of the year; dairy costs were prohibitive. Therefore no dairy interests of any size ever existed: for the most part, butter was imported. As a result the way was open for local business firms to fill the gap and manufacture margarine locally.

Growth in the nineteenth century led to the establishment of certain local industries. The motive for establishing an industry locally was to replace with Newfoundland products goods previously imported. Certain factors may have contributed to the success of these industries, including the island's isolation, which increased transport costs, the tariff imposed by the colony's government, and the nature of the products and services provided. Between 1870 and World War I, a steady shift occurred in the structure of trades and manufacturing away from industries supplying the fisheries

towards those satisfying consumer needs (Joy 6, 178).

The conditions leading to the manufacture of a substitute for butter were opportune. Domestic butter production was quite modest. For example the Newfoundland Census reported that in 1884 1.25 pounds of butter per person were produced in the island and none in Labrador (*Census* 209). In 1891 there was a slight increase, with 1.99 pounds per person sold in the island; total production was 401,716 pounds, but only 242 pounds were reported for Labrador. On the other hand, butter imported into the colony ranged from 4.3 pounds per person in 1883-84 to 3.1 pounds per person in 1890-91 (*Census*, 1891, 419; Canada, *Sessional Papers* 1885 Vol. 2, No. 2:630; 1892 Vol. 4, No. 5:432). Most of the butter came from Quebec, Nova Scotia, and Prince Edward Island.

Margarine had been invented in France about 1869 (Stuyvenberg 9), and in the 1870s and early 1880s there had been news accounts of a butter-substitute called *butterine* in the United States (see *OED butterine*), and these were soon reported in St. John's. For example the *Daily Telegraph* (London) ran an article on misleading packaging of butterine that was later carried by *The Newfoundlander* (28 August 1883: 1, 2). The conclusion was that this much cheaper butter substitute could be beneficial to the poorer segments of society.

To meet the evident need for some cheap butter substitute, the St. John's merchant firm of Harvey and Company, in 1883, was the first to begin manufacture of margarine in the colony. This new venture must have been viewed as fitting well into the broader structure of the colony's first development scheme. Using marine oil products, it provided much needed employment as a replacement for the "humiliating, costly, and enervating mechanism of emigration" (Alexander 25; 26-29). Robert A. Brehm was in charge of the production of the new product. Sometime before 1890 Brehm left Harvey and Company and joined another firm, Hearn and Company, in St. John's to set up a second margarine enterprise. On the death of the two original partners, Brehm took over this second firm at the turn of the century and continued operations under the name Brehm Manufacturing Company (Devine 169).

A third company entered the field in 1925 when Sir John C. Crosbie, head of a fish exporting company and colonial Minister of Finance, founded the Newfoundland Butter Company to make margarine.³ Under his strong leadership and with the cooperation of his sons George, Chesley and John, as well as that of George Ehlers, a chemist brought in from Denmark, the firm quickly assumed a leading role. Sir John's considerable reputation among the outport merchants helped the company to challenge the strong

hold Brehm had on the retail trade. The strength of the latter was considerable because of the people's natural conservatism, which showed itself in their reluctance to change brands.

The Depression caused problems for the two original firms, and to meet the new conditions they amalgamated in 1932 as Harvey-Brehm, Ltd. Also in 1932 the death of Sir John Crosbie brought about a restructuring of management in the Newfoundland Butter Company. George Crosbie became president, Chesley assumed the vice-presidency, and John Chalker Crosbie became technical director. A further development came in 1937 when the giant Unilever Organization, based in London (see Wilson's account), bought out both Harvey-Brehm and Newfoundland Butter and amalgamated them under the Newfoundland Butter Company name as a subsidiary of Lever Brothers of Canada. This name was again changed in 1950 to the Newfoundland Margarine Company Limited (Perlin 206-07; *Book of Newfoundland* 4:[633]).

Thus, in response to a felt need to supply the deficiency of butter in Newfoundland and provide a much cheaper substitute spread, a new and profitable industry had been established. The nutritional value of these widely used margarine products, and many other common foods, came under scrutiny in two major health surveys of the country established by the Commission of Government.

A recognition of the nutritional deficiencies in Newfoundlanders' diets goes back to the late nineteenth century. The colony's medical literature in the first four decades of the twentieth century refers repeatedly to the prevalence of deficiency diseases such as beriberi, scurvy, night blindness, salt water boils, pulmonary tuberculosis, dental caries and rickets (Adamson and others 227-28). In 1931, as part of his studies at the Ontario Agricultural College, John Chalker Crosbie made a study of the nutritional values of the margarine produced by the Newfoundland Butter Company, his father's firm. His findings were that the product was deficient in vitamins A and D. It could not support normal growth in the rats used in his experiment (Crosbie). In 1944 a comprehensive medical survey was conducted by a group of Canadian, British and American medical experts at the request of the Commission of Government. Their report was more precise and extensive in noting deficiencies in the total diet of the sample studied: 69% of the recommended amount of vitamin A; 72% of ascorbic acid; 57% of calcium; 51% of riboflavin; and 94% of thiamine (Adamson and others, derived from Table III, 235). Newfoundlanders were more typical than atypical, but they were worse off. Both Canadians and Americans had been

shown to be deficient in their nutritional consumption in surveys taken in the late 1930s (Adamson and others, 227).

The Adamson Medical Survey supplied background information concerning the diet of many Newfoundlanders. With less than 1% of the land available for agricultural purposes (229), local production of food was restricted to a very narrow range. This included a relatively small amount of meat and eggs; moderate amounts of garden produce, mostly potatoes, cabbage and turnips; and a small amount of milk (233). In 1943, thirteen million pounds of fats and oils were imported; only a "negligible" amount was produced domestically. Nine million pounds of margarine and 327,000 pounds of butter were included in the imports (234). The Survey figures indicate that approximately one pound of butter and a little more than twenty-eight pounds of margarine were consumed per person. The figures for fats and oils per person are two and a half pounds below the comparable Canadian figures, which do not include any margarine. But for dairy products the report shows that Newfoundlanders consumed less than one-quarter of the Canadian per capita amount (235). While total caloric intake was significantly greater than necessary for adequate nutrition, the intake of elements believed crucial for a balanced diet was far below recommended standards (235; see Table).

TABLE
Daily Amounts of Available Nutrients

		Total Newfoundland Consumption	Total Canadian Consumption	Recommended U.S.A. National Research Council Consumption
Calories	No.	2997.0	3223.0	2554.0
Protein	gm.	88.4	97.2	66.1
Calcium	mgm.	415.0	956.0	960.0
Iron	mgm.	9.5	16.4	11.8
Vitamin A	I.U.	1443.0	6783.0	4590.0
Ascorbic Acid	mgm.	20.0	61.2	71.3
Thiamine	mgm.	.9	2.02	1.45
Riboflavin	mgm.	1.03	2.09	2.1
Niacin	mgm.	15.0	18.6	14.5

Source: Adamson and others, Table III, 234.

The inquiry came to the conclusion that the poor nutritional status of the people might "well be in large part responsible for their impaired health and efficiency" (250).

In July 1945 and again in his report of 1947 D. P. Cuthbertson of the British Medical Research Council stipulated that much more needed to be done with regard to upgrading nutritional intake. With respect to margarine he advised tripling the amounts of vitamins A and D. Cuthbertson also recommended a resurvey of the 1944 test group to determine the impact of the nutritional upgrading already done (55).

In 1948 this survey was carried out with as much duplication of conditions as possible, even to the point where 25% of the original group was examined again. Circumstances in 1948 had changed dramatically over those experienced in the Depression years or not evident in 1944. The impact of the war, with its new military and naval installations, the development of the commercial air facilities at Gander, as well as the heightened value of fishing, timber and mineral resources had left many Newfoundlanders more prosperous. Better clothing, better homes, and better diet were the results. The nutritional fortification of margarine had brought about a doubling of vitamin A in the diet of the sample studied. No similar increase in the consumption of vitamin D was noted. Better health was strikingly evident in the sample studied in aspects where the fortification procedures were expected to have an impact. The survey called for a continuation and broadening of efforts to achieve better nutrition among the people (Aykroyd and others 329-52).

Within a short time the government established the Nutritional Council. This body issued recommendations calling for expanding the provision of chocolate milk powder to school children; cod liver oil to be made available to all schools requesting it for distribution to students; concentrated orange juice to be provided for all expectant mothers and young children; enrichment of flour to be extended to include calcium; margarine to be enriched with both vitamins A and D; a full-time nutritional advisor to be employed; and publicity concerning nutrition to be issued through press, radio and speeches ("Story of Nutrition").

This relatively prosperous era provided the context for the events that subsequently led to union with Canada in 1949. On this large political stage margarine played a small but unavoidable role. On the Canadian side the issue caused a good deal of difficulty as the Mackenzie King government tried to respond to conflicting laws. On the Newfoundland side the matter was simple: margarine was an essential commodity in the economy. For the Newfoundland public, the prime concerns in the confederation debates and

negotiations were the questions of public finance in the form of federal subsidies and of the economic future in the fields of mining, fisheries, forestry and agriculture. Within that context the fate of margarine occupied a miniscule position: it was mentioned in passing in the debates of the National Convention, and then only in relation to the previous tariff protection of the product.⁴

As part of the preparations for discussions on union with Canada, the National Convention distributed questionnaires. The Local Industries Committee sent out a hundred and forty questionnaires to various secondary industries. On the basis of the thirty-five replies received, it is apparent that the margarine industry was a significant component among the secondary industries. Represented by only one company, Newfoundland Butter Company, the industry stood second in value of property and equipment, in paid-up capital, in volume of business and exports, in amount of duties and excise paid, in value of raw materials purchased, as well as third in amount of wages and salaries paid and sixth in number of employees.⁵

Joseph R. Smallwood was the first to mention the problem relating to margarine in the negotiations with the Canadian delegation. He raised the point on 23 July 1947, obviously perceiving the crucial nature of margarine in the diet of Newfoundlanders. He must also have been cognizant of the quandary of the St. Laurent delegation from Ottawa. For over a year Senator William D. Euler had led a fight, in and out of the Senate, to have the 1886 margarine ban abolished. The government of Mackenzie King was attempting to walk a political tightrope between the margarine and the butter factions. The outcome appeared irreconcilable: a product could not be legal in one province and illegal in the other nine. St. Laurent's initial response to the point that Smallwood raised was a piece of political doubletalk looking toward the impossible. In the long run, St. Laurent suggested, the Canadian Department of Agriculture would hope to lead the way to a significant expansion of all phases of Newfoundland agriculture, a hint that the new province would someday produce much of its own butter supply and thus be willing to fit into the pattern of the other provinces. In the meantime St. Laurent committed the federal government to act in the transitional period in a way that would not jeopardize the needs of consumers in Newfoundland.⁶

Subsequent to this initial verbal exchange, the Newfoundland delegation repeated its point in a more formal written query. In its response the Ottawa delegation stated that, though the manufacture and sale of margarine were illegal in Canada, nevertheless Parliament would act to exempt New-

foundland from this legislation. Were this exemption to be incorporated in the terms of union, then a further clause would require that the shipment of margarine from Newfoundland to any other province was prohibited. Such a ban would have to stand despite the fact that Section 121 of the *British North America Act* stipulated that interprovincial trade was free of all such encumbrances.⁷

Whatever may have been the discussions in the King government over this issue, on 29 August 1947 the negotiators agreed on the substance of the paragraph on margarine that was to become part of the terms of Confederation. Notwithstanding any act of Parliament to the contrary, it was agreed that margarine would continue to be manufactured and sold in Newfoundland until such time as Parliament, at the behest of the legislature of Newfoundland, would specifically enact such a restriction. However, notwithstanding Section 121 of the *British North America Act*, Newfoundland firms would not be permitted to export margarine to any other part of Canada; again only Parliament could act to end this restriction.⁸

Newfoundland emerged from these specific negotiations in a strong position. It had a sizable margarine manufacturing plant and that plant was to continue meeting the needs of Newfoundland customers (*Vancouver Sun* 18 Sept. 1947: 1). In Canada, on the other hand, the federal government sanctioned temporarily a violation of the *British North America Act*. To overcome the difficulties of this dilemma, the King government undertook to let the Supreme Court resolve the issue of the continuing existence of the 1886 ban, even though this was in reality a political and not a legal question. This awkward relationship between the Newfoundland and the Canadian governments opened the door for the Euler forces to use the legality of margarine in Newfoundland as one of their debating points in the strategy to introduce margarine into the Canadian marketplace.

The British North America Act, 1949 (12-13 Geo. VI, c. 22) brought Newfoundland into the Canadian Confederation. Section 46 of the schedule to that act covered the understanding as to the continued manufacture and sale of margarine in Newfoundland. Any possibility of further legal tensions being created by the details of the agreement on margarine disappeared when the Supreme Court ruled a federal ban on margarine unconstitutional three and a half months before Newfoundland joined Confederation on 31 March 1949.

The successful conclusion of the efforts leading to Confederation, however, left the margarine factory in a doubtful position in Newfoundland, but this time from a business standpoint. Soon after the 1886

ban was lifted, Lever Brothers began to use one factory in Toronto to manufacture its margarine for the entire Canadian market. Rumours soon spread that the St. John's subsidiary, recently named the Newfoundland Margarine Company Limited, would close its doors. In response Lever Brothers issued a press release noting the rumours but stipulating that "so long as it was economically sound" to produce margarine in Newfoundland the company would continue to do so. Locally-made Lever brands such as Good Luck and Solo were selling for eight to ten cents per pound less in the province than the same brands produced in Toronto and sold in Halifax. Furthermore, any savings gained from large-scale production were offset by loss of the advantage of freshness. Thus the Newfoundland Margarine Company would continue in operation despite the fact that a major ingredient in the local margarine, seal oil, was shipped to the Lever plant in Toronto for hardening and refining and then reshipped to St. John's (*Daily News* 12 Apr. 1951: 3; 6 June 1953: 3).

The vigorous Newfoundland Margarine Company soon began to consider expansion beyond its provincial borders. By 1960 Nova Scotia and New Brunswick were selling margarine, and George G. Crosbie, the president, argued that his products should be able to compete with the Ontario product in eastern Canadian markets, given that water transport was cheaper than rail or truck. He was seeking deals with ocean shippers whose boats were leaving St. John's with empty holds. The vitality of the company was further evidenced by Crosbie's announcement that the firm would begin to produce a cheaper line of margarine, made from vegetable, animal and mineral oils; its top line by this time contained only vegetable oils, seal oil no longer being used. The competition from mainland producers stimulated this action (*Evening Telegram* 16 Aug. 1960: 18).

In Newfoundland the margarine industry began when emerging industrialization filled the gap caused by the weak agricultural base in the country: the local population neither produced nor imported an adequate amount of butter to maintain a reasonable standard of health. And the politicians made sure that the major political step of Confederation with Canada did not disturb the local right to make this butter substitute. The story of margarine in Newfoundland is one of people acting soundly to improve and protect their standard of living.

Notes

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²For an account of the imposition of the ban in 1886, see my article in *Canadian Papers in Rural History* to appear in 1987.

³"Sir John Crosbie," *Encyclopedia of Newfoundland* 1:563. (In local speech, *butter* for decades has meant 'margarine.' The name given to the milk product was *table butter*. Eds.)

⁴Provincial Archives of Newfoundland and Labrador (PANL). National Convention, GN 10, Proceedings, 10 Feb. 1947: 14.

⁵PANL, GN 10C, Box 13, Miscellaneous Papers, Local Industries Committee Report, 1947.

⁶PANL, GN 10C, Box 10, 10/6 6, Reports and Miscellaneous Papers, "Summary of Meeting between Delegates from the National Convention of Newfoundland and Representatives of the Government of Canada," (secret) 23 July 1947: 4.

⁷PANL, GN 10B, Box 3, "Summary of Proceedings and Appendices," Ottawa, 25 June-29 Sept. 1947, Part II, Appendix XIV, Supplementary Questions Asked by the Newfoundland Delegation, with Answers thereto: 158.

⁸PANL, GN 10B, Box 3, 29 August 1947, Meeting of Drafting Committee.

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