

150
Gabriel®
2001

ANDERS KÆRGAARD

THE SUSTAINABLE
COMPANY
150 YEARS

150
Gabriel[®]
2001

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Gabriel A/S

Hjulmagervej 55

DK-9000 Aalborg

Phone: +45 9630 3100

Fax: +45 9813 2544

mail@gabriel.dk

www.gabriel.dk

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PREFACE

It isn't every day that a Danish company can celebrate a 150th anniversary.

We are proud to say that Gabriel – formerly Kjærs Mølle – can do just that, and the management wish to celebrate the occasion with this anniversary publication.

The book was primarily written to provide all those who have an interest in the company – owners, employees, suppliers, customers and others with whom we cooperate – with greater insight into the historic background of our company.

This book will also serve as a basis for publications written to commemorate red-letter days of the future.

Finally, because the old factory is in better shape today than ever before, the management felt publication of its history would be a fitting way to celebrate 150 years of activity.

It is our hope that you will enjoy reading this history of Gabriel.

April 2001



Poul H. Lauritsen
Chairman of the Board



Jørgen Kjær Jacobsen
Managing Director



Aalborg in the late 1850s seen from the northern bank of the Lim Fjord. Kjærs Mølle is probably the three-storey factory visible on the outskirts of the town, to the right of the white spire of Our Saviour's Church. The mouth of the now covered Østerå River can be seen a little further to the right.

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THREADS OF A 150-YEAR-LONG CLOTH

In contrast to many other Danish industrial enterprises, Kjærs Mølle – now Gabriel – did not grow out of a cottage industry, nor was it based on the good ideas and energy of one man. Kjærs Mølle was planned and founded by three men who had a clear objective: They wished to create a sustainable business for the manufacture of fabric for the clothing industry in Jutland, the Danish mainland.

The following pages trace the threads that make up the fabric woven throughout the 150-year history of the enterprise. Some of the threads were long, others short; some were strong and long lasting, others short-lived. The history of the Kjærs Mølle/Gabriel factory is traced from 1851 until the present day, whilst the story of the textile manufacturer Gabriel that began in 1943 starts when this firm entered the scene in 1978-79.

The raw material utilised was primarily wool. Although synthetic fibres were a basic resource at certain times, wool has never been completely out of the picture. Initially, the company manufactured fabric for the clothing industry; today the focus is on high quality upholstery fabric. The enterprise has changed hands many times along the way, and its name was changed from Kjærs Mølle to Gabriel.

This anniversary volume will trace the threads that have made this a successful enterprise in

changing times. This look at the challenges faced over the past 150 years illustrates how relationships between the company's decision makers and employees and between these people and the outside world altered over the years.

This volume follows developments from the beginning in 1851 to the present day, concluding with an overview of Gabriel as a model enterprise with record sales and earnings, modern equipment, an accomplished and loyal staff, a solid financial base and a responsible attitude to both employees and the surrounding environment.

The book is based on written sources as well as interviews with current and former employees. The interviews have added much valuable information, making it possible to present as true a picture of the events of the past 150 years as possible. The openness demonstrated by Gabriel A/S in support of this project has been invaluable. I wish to thank all of those who have contributed to this book.

Thanks also to Archivist Flemming Nielsen, Aalborg City Archives and to The Danish National Business Archives in the city of Århus for their professional advice and cooperation as the project moved forward.

Anders Kærgaard,
February 2001



The paddle wheeler Iris sailed between Aalborg and Copenhagen from 1842 to 1857. Ships were by far the fastest form of transport at that time. While Iris could bring passengers to the capital from one day to the next, it took about a week to make the journey overland on foot or horseback. Daguerreotype from 1851.

Gravensgade photographed in 1875. Today this street is part of a busy pedestrian precinct, but, as indicated by the many signs, it was also the scene of considerable activity in 1875. Shop owners or salaried employees often lived in flats above the shops. Workers had less comfortable accommodation in the buildings at the back.



CHRONOLOGICAL TABLE

1851-2001

KJÆRS MØLLE AND GABRIEL

1851: Kjærs Mølle is founded
 1855: Fire at the factory
 1901: 50th anniversary in a period of prosperity
 1918: Growth culminates in a 50% dividend
 1921-37: Years of crisis
 1940-45: Poor quality wool or none at all
 1948: Odense Kamgarnsspindleri takes over
 Kjærs Mølle
 1951: 100th anniversary and crisis due to the
 Korean War
 1954-80: M. Zacho becomes managing director.
 Fashionable fabric for women's clothing
 From *circa* 1968: Woollen upholstery fabric
 – limited but expert production
 1979: Employees and the Gabriel family take
 over Kjærs Mølle
 1980: Søren Gabriel becomes managing director
 1981: Poul H. Lauritsen chairman of the board.
 Emphasis on woollen upholstery fabric
 1983: Gabriel takes over Kjærs Mølle
 1984: Gabriel goes public. Focus on exports
 1985: Jørgen Kjær Jacobsen becomes managing
 director
 1986: Gabriel and Kjærs Mølle merge
 1987: Gabriel suffers in a period of recession
 1989: 33% of goods manufactured are exported
 1991: ISO 9001 certification. Pension funds
 purchase Gabriel family shares
 1992: Gabriel's progress is slowed by European
 market decline
 1996: More than 50% of goods manufactured
 are exported
 1997: Businessmen purchase a controlling
 interest
 1999: 3 sales divisions: Contract, Home and
 Transport
 2000: Record results for the 5th year in a row.
 75% of goods manufactured are exported
 2001: 150th anniversary

DENMARK AND THE REST OF THE WORLD

1851: Denmark wins the 1st Schleswig War
 1857: The first synthetic dye is marketed
 1901: The liberal party, "Venstre", comes to power
 1914-18: World War I
 1929: The Wall Street stock market crash
 1939-45: World War II
 1948: The Marshall Plan for rebuilding
 Western Europe
 1950-53: The Korean War
 1954: French defeat at Dien Bien Phu in
 Viet Nam
 1968: Youth revolt in countries of the west

 1979: Islamic revolution in Iran

 1980: War between Iran and Irak. The police
 remove squatters from a Copenhagen play-
 ground
 1983: Poul Schlüter's Liberal-Conservative
 government comes to power
 1984: Soviet premier Andropov dies
 1985: Mikhail Gorbachov becomes president of
 the Soviet Union
 1986: The Danish government introduces
 financial constraints
 1987: International stock market crash
 1989: Fall of the Berlin Wall
 1991: Collapse of the Soviet Union.
 The Gulf War
 1992: European monetary cooperation breaks
 down
 1996: Bill Clinton wins a 2nd term as US
 president
 1997: "Dolly" the sheep, the first cloned animal,
 is born
 1999: NATO operations against Yugoslavia
 2000: George W. Bush is elected US president



Kjærs Mølle prior to the fire in 1855. The power to operate 24 carding and spinning machines on the first floor was supplied by a watermill on the ground floor. There was a weaving room on the second floor with 14 manually operated looms. A two-storey building with flats for the workers was also built, and the dye-works, storeroom, additional living quarters and stables were installed in the existing buildings. There were also a fulling mill and a drying room.

When steam engines replaced waterpower in the last half of the 1800s, busy factories were characterised by smoking chimneys. The last steam engine at Kjærs Mølle was retired around 1950.

FOUNDING A TEXTILE FACTORY

1850-1855

Kjærs Mølle was founded in 1851. Prior to that time, the three founders had carefully considered the sustainability of such an enterprise. Included in their evaluations were access to water, the local competition and the local need both for woollen goods and for the finishing of goods made by cottage industries. The availability of a qualified workforce was, apparently, of lesser importance. After careful

consideration of the pros and cons of the situation, Kjærs Mølle on the outskirts of the town of Aalborg appeared to be the most attractive site for the new factory.

A three-storey factory was built, sales grew steadily, and this, in turn, led to a continuing need for loans to finance expansion. After some three to four years, the factory employed about 50 persons.

TWO MANUFACTURERS AND A BUSINESSMAN IN SEARCH OF A TEXTILE FACTORY

In 1850, two Danish manufacturers from mid-Jutland and a businessman from the island of Zealand were on the look out for a good location for a new factory for the manufacture of woollen textiles.

Manufacturer P.G. Dinesen from the town of Århus and W.A. Rodskjer, factory manager at Brunshaab Klædefabrik, a textile factory near the town of Viborg, were experts within the field of textiles. Solicitor Otto Jespersen had financial and legal expertise, and he was quickly called upon to make use of both.

Starting a textile factory was risky business, not least because the founders themselves were unable to provide more than about one-third of the 57,000 rix-dollars it was estimated the land and buildings and the establishment of the factory itself would cost. Careful preparations were necessary to convince creditors and

potential moneylenders of the feasibility of the project.

A natural solution would have been for P.G. Dinesen to expand his existing factory in Århus, but he already lacked water power at this site, so that was out of the question. Instead, the three men had to find a place where they could start a new factory. We have no way of knowing exactly why they chose Kjærs Mølle, then just outside the town of Aalborg, but we do know that this was a logical and sensible choice. In the first place, there was plenty of water in the Østerå River to operate the water mill, the heart of the factory, and to provide water for the washing, fulling and dyeing of the woollen products. In the second place, there were no other factories for making woollen textiles in the Aalborg area. And as the three founders wanted both to manufacture goods for sale and to finish the goods supplied by nearby cottage industries, this site suggested there would be a reliable local market for their products. Finally, Aalborg is centrally located where the water of

the Lim Fjord crosses the main road running north from the German border through East Jutland, providing good access to both national and international markets.

The most important conditions for ensuring that the enterprise would succeed were in place when Dinesen, Rodskjer and Jespersen decided to build their new factory near the Kjærs Mølle mill on the outskirts of Aalborg.

For generations, Kjærs Mølle had been a water-powered mill for grinding grain, and in 1850, it was owned by the wealthy landowner, L.H. Ingstrup. Ingstrup was interested in selling for two reasons: the mill's licensed monopoly would expire in 1851, and he was in the process of building a brick-works south of the mill.

Unfortunately, the mill was heavily in debt, and, therefore, the three new owners formed a partnership company that took over the mill in copyhold. By agreeing to an annual rent in the amount of 1,300 rix-dollars, they secured the right to rebuild, sell and mortgage the mill. In addition, when the actual change of ownership was made, they were to compensate the owners of the manorial right.

As 1850 drew to a close, the copyhold contract for Kjærs Mølle, which would become valid on 1 May 1851, was signed, and that date has since been celebrated as the date when Kjærs Mølle, now Gabriel, was founded.

It was probably the intention of the founders that the copyhold contract would be commuted to full ownership, but financial difficulties made this impossible.

PROTESTS

A number of hurdles had to be overcome before manufacturing could begin. The right to free trade was not introduced until 1857, making it necessary to obtain various permits. The permission of the king had to be granted in order

to start the textile factory itself, while dyeing and printing were defined as crafts that could only be practised with the permission of guilds that held the monopolies for such work.

On 3 June 1851, Dinesen, Rodskjer and Jespersen applied to the Home Ministry for permission to establish a textile factory, a dye-works and a printing works at Kjærs Mølle. The application for permission to start the textile factory was sent to the Aalborg town council where it was approved.

Greater difficulty was encountered in obtaining the rights to dye and print. The founders had probably anticipated this, as the application stressed that Dinesen already had permission to carry out these activities in the town of Århus and should, therefore, be allowed to practise them in Aalborg. It was also pointed out that textile factories throughout the country were ordinarily permitted to dye and print.

There were immediate protests. A.P. Wibroe, who employed no fewer than 25 of Aalborg's 37 dyers, and the town's other dyers accepted the right of Kjærs Mølle to dye the cloth manufactured by the factory. But they strongly protested Kjærs Mølle's application for permission to dye the cloth made by farmers in the region.

Even though the factory was to be situated in the countryside, it would "have a ruinous influence on the dyers here in town as a consequence, and make it impossible for this trade to survive in the town."

Freedom of competition had not yet become a valid argument. For several years to come, the business community would be controlled by guild monopolies, and dyers could claim that it was in the interests of society "that disturbing disarrangement of the citizenry's licence to trade did not occur." In addition, labour was cheaper in the country than in the town, thus creating an additional threat to the power of the town guilds.



There were also serious protests from the municipal officer of health, who feared for the health of the population if the water in the river became polluted by the chemicals used by Kjær's Mølle. Aalborg had, in fact, no waterworks, and drinking water for large areas of the town was taken from the river at Kjær's Mølle. Even then, the environment was taken seriously, at least when drinking water was endangered.

All the arguments were rejected by the Home Ministry. Liberal currents in favour of breaking the power of the guilds were beginning to surface, and the protests of the dyers were not accepted. On 23 October 1851, permission was granted to build not only the factory, but also the dye-works and the printing-works, stipulating only "that the water in the river that flows past the factory is not used in such a way that any danger can arise as regards its use for domestic purposes".

It was probably also of some significance that a national clothing industry was considered to be important in ensuring a country's

Kjær's Mølle was founded in the low-lying area near the Østerå River, approximately 1 kilometre south of the town of Aalborg. Map from 1869.

independence of foreign powers. The effort to start Kjær's Mølle was, in fact, the third attempt to establish a clothing industry in Aalborg. The two first attempts, in the 1730s and from 1813 to 1818, had both failed in spite of state support. Kjær's Mølle was solely privately financed, and, as we shall see, it survived.

MANUFACTURE AND LACK OF CAPITAL

Already on 1 May 1851, even before the application for permission to manufacture was granted, Dinesen, Rodskjer and Jespersen began to convert the existing mill into a factory for the complete processing of wool, from receipt of the raw wool to the manufacture of the finished cloth. Part of the necessary power supply was already in place with the grain mill's mill-wheel, but an additional wheel was necessary.



The harbour in the Østerå River in 1865 before the river was covered over. The ships are typical of the vessels that plied the waters of the Lim Fjord.

A small amount of cloth was manufactured in 1851, and it is likely that larger quantities were not made until April 1852. In 1852, cloth valued at over 18,000 rix-dollars was sold to customers in, among other places, Copenhagen, but that represented only half of the factory's capacity. A lack of working capital was undoubtedly a serious hindrance to greater activity.

The need for more capital had quickly become apparent. Fortunately, W.A. Rodskjer had married well! In any event, he convinced his father-in-law, Niels Klem, who was officer of health in the town of Elsinore, to take over

ownership of a fourth part of the enterprise. Although Niels Klem's original contribution was small, he later increased it several times and was a good man for floating a loan when bills had to be paid.

This was necessary, for example, in November 1852, when a mortgage loan of 15,000 rix-dollars was obtained to pay an outstanding bill. This particular loan was made on the condition that sufficient fire insurance was taken out – a condition that soon proved to have been most fortunate.

The amount of cloth manufactured by Kjærs Mølle increased in 1853 and again in 1854, the number of employees grew to about 50, and the future looked bright.

FIRE AND A NEW BEGINNING

1855-1898

In 1855, Kjærs Mølle was seriously damaged by fire. A chance occurrence threatened an otherwise successful enterprise. But another chance occurrence – in the form of a winning lottery ticket – saved the factory.

Fortunately, the market developed favourably during this second building up of the factory that began in 1855. Clothing factories in the Duchy of Holstein found their position on the Danish market weakened following the war of 1864, and at the local level, Kjærs

Mølle won the struggle for the finishing of goods made by cottage industries. Better and better equipment was installed in the factory, and there was a breakthrough for mineral dyes. This meant that Kjærs Mølle progressed from the manufacture of coarse woollen goods to the making of a variety of finer textiles.

The number of employees increased to 165 in 1901. The workers had their own health insurance, but they could be heavily fined, one of the reasons for a strike that took place in 1896.

“AN UNHAPPY CONFLAGRATION”

In 1855, just as stable conditions seemed to have become a fact of life, Kjærs Mølle was the victim of a devastating fire.

A contemporary report reads: “[Kjærs Mølle] burnt down in an unhappy conflagration, the cause of which is unknown, on the night of 24 January 1855. Only the walls of the bottom floor of the large 3-storey factory building remain standing; all the machines and materials burnt. The residence and other buildings, including the storehouse were saved...”

Fortunately, Kjærs Mølle had taken out a good fire insurance policy in 1852 – or so it was thought. But the bookkeeper had not insured the buildings and goods, so there was no compensation for their loss. Although the stock was saved, it is likely that it was ruined in the fire. Less than four years after the opening of the factory, the situation looked hopeless, but

fate had other plans. W.A. Rodskjer won 10,000 rix-dollars in the lottery and invested the entire sum in the rebuilding of Kjærs Mølle. This, in any case, is the story told, a story that can be traced back to the first record of Kjærs Mølle's history, written by the company's bookkeeper in 1901.

Today, we do not really know whether Lady Luck smiled on Rodskjer, or whether the money came from some other unknown source. Whatever the case, the owners succeeded in securing the necessary capital to reopen Kjærs Mølle.

THE NEW FACTORY

The new factory was built of brick, and new handlooms were purchased (one power loom that was also purchased proved useless). While the old factory could produce 600 pieces of cloth measuring approx. 20 meters, the new factory had an annual capacity of 900 pieces.



*On the left: Kjærs Mølle finished the coarse woollen fabric made by farmers in the area.
On the right: Soldiers from the garrison in Aalborg in 1897. Their fine uniforms may have been made of material woven at Kjærs Mølle.*

Turnover continued to increase until 1857, when an economic crisis in Denmark and poor management in the company almost closed Kjærs Mølle. Throughout that winter, work could only be done in daylight to save the expense of lighting the factory.

Within the company, where influence could be exercised, more competent managers were hired. Denmark's financial situation improved quickly, and soon both turnover and the amount of cloth manufactured once again increased.

In the first half of the 1860s, Denmark's foreign policy played a significant role for Kjærs Mølle's business. In 1861 and 1862, the company benefited when the War Ministry, anticipating war with Prussia and Austria over the duchies of Schleswig and Holstein, paid a good price for any fabric that could be used for uniforms.



When war came in 1864, however, Kjærs Mølle saw its market shrink, as little by little the Prussian-Austrian troops conquered most of Jutland. The factory manufactured less and less, and production finally came to a halt as the enemy approached and occupied Aalborg.

Peace was declared, and Denmark lost both Schleswig and Holstein. For Kjærs Mølle this national tragedy proved fortuitous, however, because the large textile manufacturers in Holstein now no longer had free access to the Danish market. Under the terms of the peace treaty, Holstein lay outside the Danish tariff barrier, giving Kjærs Mølle an advantage in competing with the Holsteiners.

WOOL AND FRIEZE

As previously mentioned, the two strong "threads" that were to ensure the success of Kjærs Mølle were the manufacture of woollen cloth and the finishing of articles made by local cottage industries.

Although the finishing of home made articles included the carding and spinning of wool, it

called primarily for the dyeing, fulling and addition of dressing to frieze made in the country. From the beginning, Kjærs Mølle competed with the A.P. Wibroe dye-works and fulling mill in obtaining the cloth known as frieze for dyeing and fulling.

In 1851, Wibroe had protested granting Kjærs Mølle permission to dye the cloth made by others – with good cause, as it turned out. In the beginning, Wibroe was clearly in the lead, and in 1854, his business finished more than 23,000 meters of cloth compared to the 3,000 meters finished by Kjærs Mølle. But by the end of the 1850s, the tables had turned, and Kjærs Mølle had taken the lead.

The two companies conducted their competition in the local newspaper, *Aalborg Stiftstidende*, and it culminated in 1872 when Wibroe offered to dye a length of cloth at less than half the price charged by Kjærs Mølle. Even this was to no avail, and in 1873 Wibroe finished only 9,400 meters of cloth, compared to the 32,600 meters finished by Kjærs Mølle. At the end of the 1870s, Wibroe gave up and established instead a large cotton-spinning mill.

Customers who wanted to have their frieze finished delivered the goods to Kjærs Mølle's shop at Bispensgade 2. From 1882, Kjærs Mølle rented out the shop, but the tenant was not permitted to sell clothing and clothing fabric in competition with Kjærs Mølle's own products. This meant that while the only Danish textiles sold were made by Kjærs Mølle's, foreign-made goods were also available in the shop. Only simple clothes could be sold, and neither fashionable clothing nor bed linens were stocked. From about 1895, townspeople could also buy the factory's own textiles in the shop, Kjærs Møllens Udsalg, at Nytorv.

In the anniversary volume published in 1901, a description of the goods manufactured in the company's first decades tells us they consisted



Distinguished gentlemen keep track of figures and agreements. They wrote with pen and ink but also used the typewriter in the foreground. The typewriter had its breakthrough in the last decades of the 19th century. Photograph from 1901.

“...almost solely of Kersey and cloth of various qualities, mixed-blue woollen or piece-dyed. The goods maintained this distinction for quite some time. As late as around 1870, these textiles were used almost solely by farmers and the more common townspeople...”

As late as around 1900, quantities of kersey were still made, especially for uniforms, but the variety of patterns, colours and qualities increased steadily as the 19th century drew to a close. This was due, in part, to improved equipment and also to progress within the dyeing industry. Until 1860, only vegetable colours could be used, but as mineral-based colours became available, countless new colour combinations were possible.

As the finishing of home made frieze gradually lost its importance, Kjærs Mølle's own production of woollen textiles became the life nerve of



The weaving room was filled to bursting with machines and people. The noise in the low-ceilinged room must have been deafening. Photograph from 1901.

the factory. In the early years, most of the raw wool probably came from Danish sheep. But as more and more of the Jutland heath was cultivated, there were fewer races of sheep that could supply suitable wool, and imported wool was used as early as around 1900.

FROM WATERPOWER TO STEAM

Keeping up with the competition meant investing in new equipment and buildings, and such investments were made several times during the course of the 1800s. Other investments were necessary because the river could no longer supply the power needed to keep up with the growing amount of goods manufactured.

In 1865, a modest 6 horsepower steam engine was installed, and with the addition of a 24 horsepower steam engine in 1871, steam became the factory's primary source of energy. In 1874, a conspicuous sign of this change was a new three-storey power-loom weaving mill built beside the river – and not across it, as was necessary in order to utilise waterpower. In 1883, the capacity of the spinning mill was doubled, the building housing the weaving mill was extended, and Kjær's Mølle had a total of 17 power looms. Larger steam boilers were installed, and factory's capacity was increased in 1889 and again in 1895.

Another manifestation of technical progress came in 1890 when the petroleum lamps were extinguished for the last time, and electric lights were switched on. With its 30 horsepower steam engine, the factory could supply its own power.

Kjærs Mølle expanded again in 1894, this time with the construction of a two-storey building with an arched roof, covering one huge attic. Originally, the building housed a spinning mill; today there are finished goods on the ground floor of this building, while samples are displayed on the first floor.

More and more smoke poured from the chimneys as coal was burned to satisfy the demands of the steam engines. No one gave a thought to air pollution and bad lungs: Such activity signified progress in the last three decades of the 1800s.

WORKERS AND WORKING CONDITIONS

In 1852, the year after the factory was founded, Kjærs Mølle already had 50 employees. In the years prior to 1872, the number of workers varied from 30 to 72 and increased as time passed. The good years toward the end of the 1800s saw a considerable expansion of the workforce, and in 1901, there were 165 employees.

We cannot know what thoughts the founders had about the availability of qualified labour in Aalborg. But we can see that this was occasionally a problem. As there was no tradition for textile factories in the Aalborg area, it follows that there were no experienced workers. Right from the beginning, therefore, it was necessary to hire foreign workers, in particular, from Germany.

Unfortunately, it was not always the cream of the German workforce that was lured to the far north, as suggested by the following passage from the anniversary book published in 1901:

“The people were perhaps clever enough, as far as that goes, but they sometimes displayed other faults, as for example, the fault of often coming to work in a rather muddled state. As, at the same time, there seemed to be pugnacious types among the workers, it is no wonder that



The master weaver and weavers in the new weaving room in 1901. The master weaver's position in the hierarchy is suggested by both his clothing and posture.

there were often disorderliness and rows, yes, even fights during working hours.”

Little by little, Danish workers were trained, but Kjærs Mølle continued to hire foreigners when workers with special skills were needed.

As far as wages were concerned, the weavers were, on average, the best-paid employees, but as they were paid piece-rates, the level of wages varied greatly. Spinners, wool washers, rinsers and fullers earned a little less, and the willowers and carders earned less than half the wage of the weavers. Until 1870, meals were provided at the factory for unmarried workers and apprentices.

No information is available about the wages earned by men and women who held the same positions.

Today, it is difficult to say anything definite about the distribution of the sexes in the factory. We do know, however, that in 1901, 25 men and 11 women had been employed for at least 10 years (including workers who earned an hourly wage and salaried employees). But women were probably often hired for shorter periods of time than men and, if they had the financial means, may have left their jobs to marry or to have children. Therefore, women probably made up a larger share of the workforce than indicated by the above numbers.

A look at the work done by those who were employed for at least 10 years shows that most of the warpers, burlers, croppers and weavers were women. The dyeing process appears to have been men's work. In addition, all those given the title of "master" were men: master weaver, master dyer, master finisher and master fuller. It would, of course, have been unusual for a woman to have had a career at this time.

In the 1901 anniversary volume, the relationship between the workers and the company is described as good. And a number of measures were taken to ensure the welfare of the workers. There was, among other things, a health insurance system for "men and unmarried women" financed by subscription and a contribution made by the company.

Finally, in 1876, a fund was created for workers who were sacked due to age, so they could avoid the wretched conditions of those living on the government system of poor relief.

The relationship between workers and management was, however, not always idyllic, and in 1896 a tense atmosphere came to a head. Work was abandoned to protest a master's coarse language. There was already considerable dissatisfaction among the weavers due to fines amounting to more than a week's wages that

could be imposed if a weaving error was made. Thirty workers were sacked during the strike, and the conflict was finally resolved. The workers were successful in instituting a somewhat milder system of fines and in getting 22 of those who had been sacked rehired.

FROM PARTNERSHIP TO LIMITED COMPANY

In the period from 1851 to 1898, many partners were replaced, and the partnership agreement was renewed in 1872. The last of Kjærs Mølle's founders, W.A. Rodskjer, died in 1876, and the shares had gradually been distributed among a wide circle of heirs and other persons.

As any change in ownership required the signatures of all the partners, the partnership arrangement had gradually become too cumbersome as a means of running the company. As of 1 January 1898, therefore, the partners decided to create a limited company, *Aktieselskabet Kjærs Mølles Fabriker* with Julius and Frederik Rodskjer as managing directors. One of the advantages of the limited company was that the shares were freely negotiable, and money could be borrowed against them.

A share capital of 800,000 Danish kroner was raised. Then the limited company construction was threatened by a legal subtlety in the old copyhold contract. The owners of the manorial rights were still living, and they would lose their compensation when the copyhold was cancelled. Their legal argument was that the limited company was not a person, and as a consequence, they refused to sign the title deed. The case was brought to court, and in both the Danish High Court and the Supreme Court, Kjærs Mølle was granted the right to change the type of company, and the limited company could continue operations.

MARKET FLUCTUATIONS

1898-1940

Kjærs Mølle enjoyed a period of prosperity in the first decades of the 20th century and became one of Denmark's leading manufacturers of woollen cloth.

When the 1st World War ended in 1918, the future looked bright in Denmark, and Kjærs Mølle was prepared to increase production. But war was followed by crisis, and with a stock of expensive raw materials and virtually unsaleable products, operations were no longer feasible. Due to a weak market, fashion whims and well-worn production facilities,

the company operated at a loss for several years. Bankruptcy threatened, and the number of employees fell again to about 50, with many of those working less than full time.

Once again fortune smiled on Kjærs Mølle. The company owned about 12 1/2 hectares of land that was parcelled out from 1932 to 1937. The income from the sale of this property was used, among other things, for necessary investments, and from 1939, Kjærs Mølle's position could once again be described as sustainable.

OPTIMISM IN THE EARLY 1900S

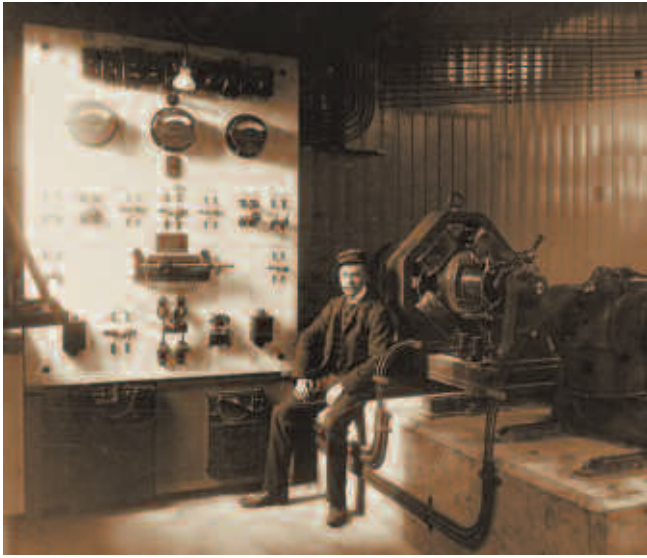
The many investments made as the 1800s drew to a close resulted in greatly increased capacity. While the factory that was rebuilt following the fire in 1855 could manufacture about 18,000 metres of cloth per year, by 1901 and the celebration of the company's 50th anniversary, more than 150,000 metres were produced annually, *i.e.* 8-9 times as much. During the same period, the number of workers more than tripled, to 165 employees by 1901.

A high level of building activity was maintained in the early 1900s. The period from 1903 to 1907 saw the construction of, among other things, a two-storey office building and storeroom, an addition to the building where salaried employees lived, a new dye-works and a new willowing-works, an extension of the spinning mill and the addition of a floor to an

existing building. In 1913, the roof of the boiler house had to be raised, and in 1916 another 369 m² was added to the spinning mill.

The production plant was utilised to its utmost in the last years of the 1st World War, and Kjærs Mølle was among the largest manufacturers of woollen cloth in the country in terms of both share capital and profits. The enterprise was known for quality goods sold to customers all over the country as well as directly from Kjærs Mølle's retail shop in Nytorv in Aalborg.

In 1916, a mortgage was taken out in the amount of 400,000 Danish kroner, and in 1918 the share capital was increased from 800,000 to 1 million Danish kroner. Like the rest of the country, Kjærs Mølle anticipated a growth in prosperity following the end of the 1st World War and was, once again, prepared to expand the factory.



Above: The engine room in the anniversary year, 1901. Large sums were invested in updated equipment in the second half of the 1800s, resulting in an enormous increase in productivity.

Below: The stockroom in 1901. Kjærs Mølle carried a wide variety of different qualities and designs, much to the concern of the bookkeeper.

THE GREAT DEPRESSION

Everyone expected that peace would lead to growth. And Kjærs Mølle did turn a profit in the first few years following the war. The sensational 50% dividend paid in 1918, following an outstanding year, fell to a more normal 20% in

1919 and 1920, but after that the situation took a drastic turn for the worse. From 1921, the company operated at a loss, and no dividend was paid.

Kjærs Mølle's decline was closely related to Denmark's economic difficulties. Much of Danish industry experienced hard times in the 1920s: Demand in Europe increased, but Danish production facilities were worn and could not take advantage of the opportunity this presented. Exports stagnated and imports increased. The level of unemployment in 1920-21 exploded from 6% to almost 20%.

Kjærs Mølle was hard hit by these developments, as the factory sold its goods to the depressed Danish home market. To add insult to injury, the company held large quantities of raw materials and finished goods that could not be sold at a profit because the cost of raw materials had quickly fallen to half the price paid for them.

The following comment, possibly written by the managing director around 1951, describes the situation in the late 1920s:

“The years following 1926 were very bad; it was difficult to sell the goods. We traded then with wholesalers, makers of ready-to-wear clothing, haberdashery shops, draper's shops and embroidery merchants. (...) In these years there was, of course, no money for purchasing new equipment and even less for building, even though by this time the factory was in great need of renovation in virtually all departments, and numerous times we had to ask the factory inspection authorities for permission to postpone the work and repairs they had demanded. (...) A retail shop we had opened in Copenhagen in the hope of building up the business was liquidated in 1927.”

The difficulties are reflected in the annual reports. Big write-offs on stock were made in both 1929 and 1930, and from 1928 to 1932, not

a single piece of equipment was purchased for the factory.

The annual reports continue to show a deficit up to and including 1932. In 1931, the deficit would have been greater than the share capital, and it became necessary to sell part of the “family silver”. This was possible because Kjærs Mølle owned 12 hectares of farmland. This land was parcelled out and sold for the building of private homes from 1931 to 1937. To this day, street names such as “Kjærs Mølle Vej” [Kjærs Mølle Street], Væverens Vej” [Weaver Street] and “Spolen” [The Spool] bear witness that the area once belonged to Kjærs Mølle.

Proceeds of the sale of this land, rather than the manufacture of cloth, brought Kjærs Mølle safely through the difficult years from 1921 to about 1935. These earnings provided money for the necessary expansion and modernisation of the looms in 1933, and in 1934, dividends were paid to shareholders for the first time in many years.

WHIMS OF FASHION

From the beginning of the 20th century, fashion had played an important role in investment-making decisions at Kjærs Mølle. In spite of the success enjoyed in the early 1900s, in 1901, the company’s bookkeeper expressed his concern about the expenses incurred in keeping up with changing fashions:

“At the present time, the range is comprised of about 160 different qualities with at least 700 designs. (...) In addition to making a draft and starting up, just the making of new patterns for the two seasons requires the work of two men at the pattern looms for a long time, and, then, in order to make such a large selection of patterns, one must have a corresponding stock of raw materials of many different qualities. Finally, the stock of finished goods will often be bigger than is advisable because one can never adjust production to sales so



An advertisement from 1922 for the shop.

precisely that there will not be something left over.”

In 1926, a publication containing a large number of advertisements for Kjærs Mølle’s products was issued to commemorate the company’s 75th anniversary. In these advertisements Kjærs Mølle’s clothing textiles were said to be modern in both pattern and colour and resistant to wear and tear. The fabric for sale included cloth for making women’s dresses, coats, men’s wear of worsted yarn as well as “clothes as strong as iron for boys“! At that time, the factory also made upholstery fabric as well as rugs and woollen yarn.

This publication appeared during Kjærs Mølle’s period of crisis, in which foreign-made goods threatened goods produced in Denmark.



Above: Fashion-conscious girls and young women wearing “Kjærs Mølle’s nationally known pea-jacket cloth”.

Below: Kjærs Mølle manufactured upholstery fabric in the 1920s, but this was of secondary importance at that time.

Both illustrations from the 1926 anniversary publication.

English worsted cloth was a serious competitor, and Kjærs Mølle countered this by making its own worsted fabric. In this period of adversity, Kjærs Mølle appealed to the national conscience, and on the first page of the anniversary publication beneath the heading “Think about it!” it says:

“When you buy Danish cloth for making clothes, you provide work for Danish workers – Prosperity increases – The worker can again buy your products. – You benefit Society and Yourself!”

As equipment in the factory aged and was not replaced, it naturally became more and more difficult to live up to the demands of fashion. Women’s fashions, in particular, were changeable, and it was perhaps for this reason that Kjærs Mølle apparently changed course in the 1930s and began to place greater emphasis on cloth for men’s suits and for making uniforms. The factory maintained a retail outlet in Kjærs Møllens Udsalg in Nytorv, but in 1937, this was sold and became an independent limited company.

FEWER EMPLOYEES, SHORTER HOURS

The bad times also affected employment at Kjærs Mølle, and the number of employees fell from 165 in 1901 to about 50 in the 1920s. A.P. Wibroe once again became the town’s largest manufacturer of textiles, and, after merging with a local weaving mill, that factory was called De Forenede Tekstilfabrikker and employed almost 300 workers.

Those who kept their jobs at Kjærs Mølle were forced to work shorter hours for long periods of time, and many of the machines lay idle as described in these reminiscences from about 1951:

“In 1928, employment had fallen off so much that only a small part of the spinning mill was in operation, and only 28 of the weaving mill’s 48 looms, and for a period of about 9 months for only 4 days a week, and for a long time after that for 5 days.” (A normal working week was six days).

Naturally, this influenced wages, and in 1929, the textile workers demanded a return to a normal 48-hour working week and higher wages.

In the factory, the weavers continued to earn the highest wage. In 1928, the average wage for a weaver was 118 øre per hour, compared to 110 øre per hour for a spinner. The male weavers earned more than the female. In 1928, a male weaver earned an average of 121 øre per hour, while a woman earned only 85 øre per hour. In 1928, the quick fingers of the 5 female seamstresses gave them an average hourly wage of 117 øre.

There were apparently few significant conflicts between the union and Kjærs Mølle in this period. The archives of the textile workers' union, Tekstilarbejderforbundet, describe primarily small disagreements. Due to the company's long period of crisis, the union undoubtedly saw little hope of negotiating higher wages. When in 1934 the spinners expressed their dissatisfaction with their earnings, the union informed them that their wage, a combination of an hourly wage and a rate for piecework, was "considerably higher than what was earned at many other textile factories".

PROGRESS PRIOR TO THE OCCUPATION

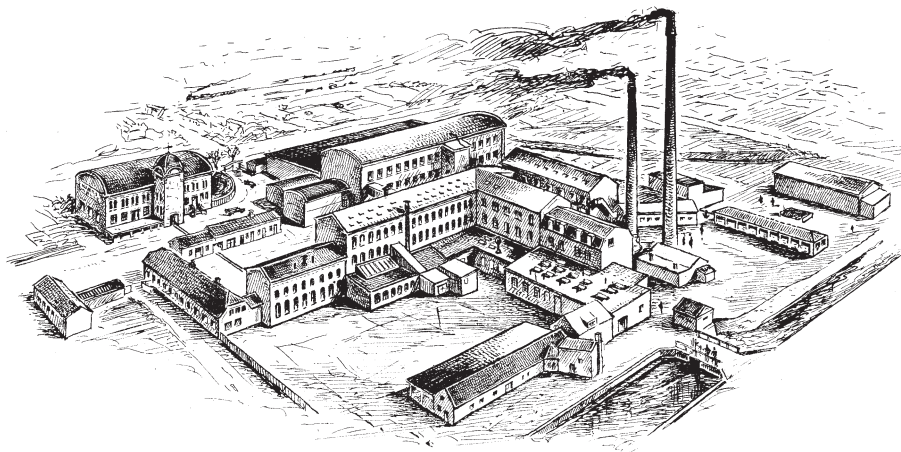
Toward the end of the 1930s, there was again cause for optimism at Kjærs Mølle. The par-

celling out of the 12 1/2 hectares of land was completed in 1937. In 1938, when this sale could no longer "improve" the annual reports, a modest deficit was shown. A turn around had occurred by 1939; the report for that year showed a profit of almost 50,000 Danish kroner, and a dividend of 4% was paid to shareholders.

Turnover increased, as did the number of employees. In 1930, the textile workers' union listed 40 members employed at Kjærs Mølle, and in 1939, the number had increased to 53. The number of weavers increased from 15 to 22 during the same period.

The factory continued to make use of foreign labour when Danish workers with suitable qualifications could not be found. We know, for example, that in August 1939, the residence-permit of a German employee was extended by 6 months, specifically on the condition that his Danish replacement be trained as quickly as possible.

Foreign labour was also hired at management level. Around 1938-39, the managing director since 1932, V. Bärnholt, retired and was replaced by a Swede, Folke Müller. Textile manufacturing was more highly developed in Sweden than in Denmark, and it was, therefore, natural to seek a qualified manager there. But Folke Müller differed from his colleagues in more than nationality – during the war, his sympathies lay with the Germans.



Kjærs Mølle 1926.

GOOD YEARS IN A DIFFICULT PERIOD

1940-1945

The war years were unusual ones for Kjærs Mølle. Throughout the period of the German occupation of Denmark, no wool could be imported, and it became necessary to use the poorer quality Danish wool and imaginative wool substitutes. Although the quality was not as good as that previously used, demand was great and earnings high. The continued profitable operation of the factory made it possible to purchase new equipment. In this situation, it was an advantage to have a director who was friendly with the Germans and had good connections to German manufacturers of textile machinery.

There is, however, no indication that goods were sold to the German occupation forces.

The good times meant a steady increase in employees who often had to work overtime. It may well have been the pressure of too much work and the strict discipline exercised by the director that created an atmosphere of unrest in the company in 1943.

When liberation came, the director fled. The Communists had a strong position in the factory, and they forced the resignation of two salaried employees. Not until the autumn of 1945 was an atmosphere of calm restored to Kjærs Mølle.

MACHINES FROM GERMANY

When the Germans occupied Denmark on 9 April 1940, the manufacturing conditions at Kjærs Mølle underwent a dramatic change. First and foremost, the import of wool was brought to an immediate halt, and Kjærs Mølle had to seek other raw materials. But in spite of the decline in the quality of the goods, demand on the Danish market was great and profits were high. Kjærs Mølle could once again afford to make large investments in manufacturing equipment.

During the occupation, Kjærs Mølle continued to manufacture for the Danish market. Although the question naturally arises because Managing Director Folke Müller was known to have Nazi sympathies, there is nothing to suggest that Kjærs Mølle worked for the Germans during the period of occupation.

Folke Müller did, however, make good use of his connections to German manufacturers of textile machinery. These connections eased the purchase of new, updated equipment in Germany, and the factory's production facilities underwent a much-needed modernisation. When necessary, Folke Müller could also acquire spare parts quickly from Germany.

Until 1942, the weaving mill was divided into several departments on the first and second floors, and the warps were hauled up through the lift shaft. But in 1942, a new weaving room and a new sewing workroom stood ready for use. That same year, ten German Schönherr power looms were installed, and in 1943 four new looms were added.

Kjærs Mølle's financial situation remained stable throughout the occupation. All the annual



reports during this period showed profits, and an annual dividend of 5%, certainly a reasonable amount in these troubled times, was paid throughout the entire period of the occupation.

Demand was great, and this pushed prices up. Prices could not be freely set, however, and at one point, price control authorities forced Kjærs Mølle to reduce the cost of so-called “maximum goods”, *i.e.* goods that could contain only a certain amount of wool in addition to old rags and similar content.

The machines were powered both by electricity supplied by the public mains and by steam. The fuel used was lignite mined near the town of Herning.

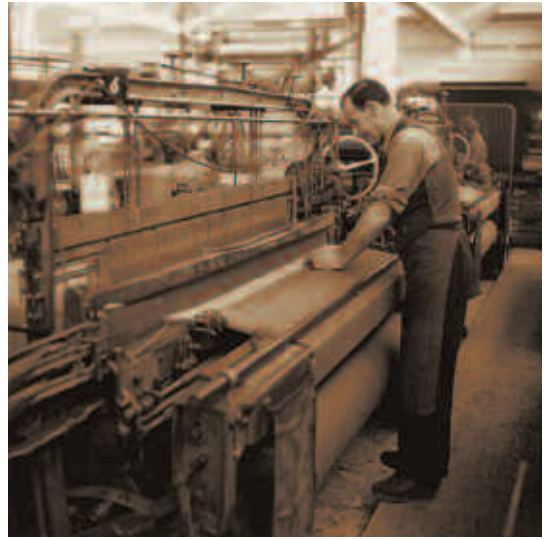
Fuel supplies were scant, and in February 1945, it was necessary to stop production altogether for a period. When it became possible

The retail shop, Kjærs Mølle Udsalg, at Nytorv in 1940. Among other things, the shop sold clothes manufactured at Kjærs Mølle. Until the shop closed in the early 1960s, placards in local buses read: “Kjærs Mølle’s clothes are as strong as leather”.

to start again, the 48-hour working week was compressed into 5 instead of the usual 6 days, in order to reduce heating costs.

WORKING CONDITIONS DURING THE OCCUPATION

In spite of the difficult conditions, Kjærs Mølle’s financial situation improved during the occupation and provided positive benefits for the workers. It was a feather in the cap of the textile workers’ union when in 1941 the union negotiated that, like the salaried employees, workers paid by



Upper left: Bobbins on frames ready for weaving in the new weaving room.

Lower left: Threads on a beam in the warping room.

Upper right: Inspection of a piece of woven cloth. A sensor stops the loom when a thread breaks.

Lower right: A piece of woven cloth hung on the «hauling bars» for inspection. The burler, or seamstress, pulled the piece across the bars by hand while checking for and marking defects.

Photographs from 1944.

the hour would also receive a bonus on the occasion of Kjær's Mølle's 90th anniversary.

Kjær's Mølle had so much work that in 1941 the factory requested an exemption from the

law against working overtime. In spite of the advertisements placed, it had proved impossible to find new workers, and 16 female workers had worked from 100 to 150 hours of overtime.

Although there were a number of small strikes in the years of the occupation, generally speaking, it appears that the relationship between management and workers at the factory remained good until the early months of 1943. In January 1943, the head of the textile workers' union in Aalborg complimented Kjær's Mølle for its good working conditions, a cost-of-living bonus and a retirement scheme for the workers.

But after this, the situation became heated in more ways than one. In May 1943, Kjær's Mølle ex-

panded from two shifts to three in the spinning mill and in the winding department. It may have been the large amount of work to be done that, in June 1943, encouraged the textile workers' union to try to negotiate a new piecework agreement with Managing Director Folke Müller. These negotiations ended abruptly when (according to the union) the director, in a fit of rage, refused to admit the head of the union to the factory. Another reason for the unrest may have been that Folke Müller was a strict disciplinarian.

A week later, hot weather led to dissatisfaction: When the temperature in the new weaving room reached 28°C, the weavers went home. The company had tried to ensure good ventilation in the weaving room, but this had an unfortunate consequence, and several workers complained that draughts gave them "rheumatism in the head".

Large orders led to more jobs. According to the textile workers' union, the number of employees engaged in manufacturing increased from 53 in 1939 to 93 in 1943. But the composition of the workforce had changed considerably in those four years. When the new power looms were started in 1942, fewer weavers were needed, while, in particular, more young women under the age of 20 were hired. The new looms did not, however, alter the fact that the weavers continued to earn the highest wage among the factory workers.

The purchase of the new looms in 1942 marked the beginning of an era of mechanisation in the manufacturing process, calling for fewer professionally trained weavers.

"PISS WOOL", PAPER AND HAIR

Immediately following the occupation of Denmark by German forces in 1940, the supply of wool from Australia and New Zealand ordinarily used by Kjærs Mølle came to a halt. Instead, it was necessary to make do with poorer quality Danish wool. The poorest quality of all was known as "piss



A fire drill. 1941.

wool"; a graphic description, clearly suggesting the value this product would have had in normal times. But in these years when nothing of a better quality was available, any kind of wool could be used, and the "piss wool" was thoroughly washed and used in the production process.

But there was a lack of even poor quality wool. Kjærs Mølle began, therefore, to supply fabric made of so-called "shoddy" or old woollen rags and woollen fabric that was boiled, torn to pieces, carded and then spun and rewoven.

The market was insatiable, and imagination came into play in finding alternative raw materials from which to manufacture cloth. Paper was spun and woven into surprisingly strong rugs. The hair cut off by ladies' hairdressers (the hair of women often being longer than men's hair) was collected, and the hair of dogs and horses was also used in Kjærs Mølle's cloth.

There was a pronounced lack of almost everything, also in the homes of the employees, and, not surprisingly, some probably found it difficult to resist temptation. In September 1944,



February 1945 was a month to remember – first because of the freezing weather, next due to a lack of water in the river and, finally, toward the end of the month, too little fuel.

Managing Director Folke Müller complained that at least 15 of the factory's young girls had stolen yarn from the company. They were warned and denied the right to make employee purchases of cloth for one year.

LIBERATION AND TROUBLE

Denmark was liberated on 4 May 1945. At Kjærs Mølle, however, as in many other places throughout the country, long-suppressed feelings were given free rein when it came time to settle accounts. The Communists had played a very active role in resisting the Germans and had won many supporters. There were also quite a few Communists at Kjærs Mølle. One of them was engineer Bartig, and it was he who organised the events that occurred during the first 4 to 5 months following liberation.

Anger with those who had shown German sympathies was great, and, therefore, the workers fol-

lowed Bartig's lead in taking matters into their own hands. Managing Director Folke Müller was quick to realise that he was unwanted and returned to Sweden a few days after liberation. But there were others who were generally disliked, and there was again trouble at Kjærs Mølle at the end of August. The workers expelled two more salaried employees, ostensibly for Nazi sympathies. They were probably right in one case, but the other man was expelled simply because he had been too loyal to Folke Müller.

The situation almost got out of hand when the Communists called for the occupation of the factory, but this request gave one of the weavers second thoughts, and he encouraged a more level-headed look at things. Bartig was later sacked, and the situation at Kjærs Mølle gradually calmed down.

The liberation was also celebrated more quietly. A bale of fine, Australian wool hidden away throughout the period of the occupation was brought out of hiding. The much-coveted fabric was sold to the employees who were soon distinguishable from other citizens of Aalborg by their high quality woollen garments: The men in suits of grey and brown blends, and the women in fine coats and skirts.

ON TRACK AGAIN

1945-1959

After the war, Kjærs Mølle turned its back on wool replacements and began once again to use genuine wool. Odense Kamgarnsspinderi purchased a controlling interest in Kjærs Mølle in 1948 and invested considerable sums in new, necessary machinery. Despite its apparently strong position, Kjærs Mølle was nonetheless threatened by bankruptcy in 1951-52 due to unforeseen consequences of the Korean War. The company was restructured and Michael Zachø hired as managing director. He discovered significant problems

in the organisation and in the manufacturing process but quickly put Kjærs Mølle back on track with just a few investments, thus enabling the company to satisfy growing demands for modern clothing fabric.

Kjærs Mølle's organisation was hierarchical. While this was in keeping with the times, it did not promote confidence and cooperation. At that time, investments in the environment and the working environment were not considered necessary aspects of operating a successful enterprise.

READJUSTMENT TO PEACE

Even though the war was over, there continued to be shortages. Until the early 1950s, the textile industries had to requisition raw materials, semi-manufactured goods, machinery and spare parts, and these were then distributed by a committee comprised of the textile manufacturer's organisation, Textilfabrikantforeningen, and the Supply Office [Direktoratet for Vareforsyning].

The use of poor quality wool and wool replacement products continued until it once more became possible to import wool. Australian wool came to Aalborg by lorry or ship via Copenhagen.

As it had during the war, Kjærs Mølle managed reasonably well in spite of a shortage of supplies, helped, among other things, by the fact that the domestic market was still protected by import restrictions. The company turned a profit, shareholders were paid a dividend of 5 to 6%, and new equipment was purchased in both

1947 and 1948. In 1949, a new oil-burning boiler was installed, and the use of the air-polluting lignite was discontinued. A water mill supplied the energy for operating the joinery workshop, but this was stopped around 1950, at which time the last steam engine also ceased operation.

ODENSE KAMGARNSSPINDERI BUYS A CONTROLLING INTEREST

Until 1947, four shareholders owned a majority of the shares in Kjærs Mølle. One of them was Harald Bech, who was managing director from 1945 to 1947. As all of the four shareholders were approaching retirement age and wanted to turn the business over to the younger generation, they decided to sell their shares in 1947. The names of the buyers were Engelbrecht and Oppen, the latter being Engelbrecht's son-in-law. The company was not long in the hands of these men, however, as shortly



New wool on its way through the willowing works where it will be plucked and cleaned.

after purchasing the shares in Kjærs Mølle, both were killed in a plane crash.

Late in 1948, therefore, Engelbrecht's widow sold the Kjærs Mølle shares to the company, A/S Odense Kamgarntspinderi. The Odense enterprise already owned several textile companies and manufactured, among other things, the well-known "Hjertegarn".

Odense Kamgarntspinderi sent their office manager, Henry Petersen, to Kjærs Mølle where he took over the position of managing director. Under Henry Petersen's leadership, necessary investments in buildings and new equipment were pushed forward. From 1948 to 1950, the amount used to purchase new machines increased year by year from DKK 215,000 to DKK 713,000. At the same time, both turnover and the amount of the dividend paid to shareholders also grew.

Kjærs Mølle got a share of the Marshall Plan aid provided by the United States in order to help Western Europe in getting back on its feet again after the war. In 1950, 14 American looms were purchased, bringing the total num-

ber to 80 looms (compared to 48 in 1940).

Odense Kamgarntspinderi's ownership meant that the focus on worsted yarn increased at Kjærs Mølle, and the percentage of worsted yarn manufactured increased from 2.5% in 1948 to 40% in 1951. The emphasis was on material for making clothing for men and boys as well as, for example, women's coats.

In 1949, there were 250 employees, and for the most part, work was carried out in two shifts. The employees were finally granted a long-desired wish, and the first canteen with room for 125 employees was opened in 1949.

On 1 May 1951, Kjærs Mølle celebrated its 100th anniversary. That was a day remembered for years to come by those who took part in the celebrations. Along with speeches extolling the success of the company, a number of the older employees were honoured and presented with medals.

WAR IN KOREA AND CRISIS AT THE MILL

The beautiful facade displayed at the 100th anniversary began to crack soon thereafter. This time, unforeseen events on the opposite side of

the world resulted in crisis and a loss of jobs at Kjærs Mølle.

The Korean War increased the prices of a number of goods, including wool. In the light of increasing sales, Managing Director Henry Petersen had committed himself to the purchase of large quantities of high-priced wool. When prices suddenly dropped, he was left holding contracts for wool that was far too expensive.

Henry Petersen was sacked. Aage Larsen was appointed new managing director and given the difficult task of solving Kjærs Mølle's problems. The situation was made worse by the gradual lifting of import restrictions in the early 1950s. This meant that Kjærs Mølle faced even stiffer competition from foreign goods on the domestic market.

Both the deficit and the debt to, among others, Odense Kamgarnsspinderi increased. In 1952, Odense Kamgarnsspinderi together with another large shareholder, A/S Bloch & Behrens, had to decide whether to close Kjærs Mølle or to restructure the company. A decision was made in favour of restructuring, and Odense Kamgarnsspinderi converted 700,000 Danish kroner of its outstanding debt to shares, while Bloch & Behrens converted 300,000 kroner. The share capital was thus increased from 1 to 2 million Danish kroner. As a part of the agreement, Odense Kamgarnsspinderi agreed to buy out Bloch & Behrens at a later date. This buy-out was completed in 1955. Efficiency experts, among others, were hired to improve the efficiency of the manufacturing process, and the practise of work sharing was introduced. The annual report for 1953 showed a reduction of the deficit to 143,000 Danish kroner, but in 1954, sales were down; the deficit increased with alarming speed and reached nearly half a million kroner in the first 8 months of that year.

Aage Larsen was not able to pull Kjærs Mølle out of the difficulties. The enterprise was characterised by management problems, inef-



An architect's drawing from 1949, showing how the main building would look after renovation.

fective technical leadership as well as dissatisfaction and unrest among the factory workers.

In 1954, therefore, the board decided to do some internal housecleaning, and began to look for a new managing director who could streamline Kjærs Mølle.

ZACHO DOES SOME CLEARING OUT

In the summer of 1954, the board found a man they had faith in, the 33 year-old works manager at Junckers Klædefabrik in the town of Randers, Michael Zacho. Zacho was an engineer and, in addition, had studied textiles at the Tekstil-hochschule in Zürich, Switzerland. He took over his new position in November 1954, but already in October of that year he received a letter from Edouard Saerens, managing director of Odense Kamgarnsspinderi giving him some impression of just how bad the situation was. Based on an audit of the accounts, Saerens concluded:

“There are far too many people employed for the amount manufactured. By the same token, the management provided by the executive staff

is also very poor and this leads to scamped work, idleness and goods of poor quality.”

There were apparently not many who thought that Michael Zacho would succeed in saving Kjærs Mølle. On his first day on the job, the head of the office staff, Miss Toppenberg, welcomed him by remarking that she had now worked for 13 managing directors!

Michael Zacho rolled up his sleeves and after a couple of weeks had formed an impression of the problems in manufacturing and in sales. Production planning was ineffective, resulting in many orders that were not completed on time. Furthermore, the quality of the products was often poor, and many resources were, therefore, used in darning and burling. The compilation of orders was inadequate as many small quantities were made in too many different designs and qualities. The sales department was inefficient and was out of touch with the market. And, finally, the way in which the piecework system was organised made it difficult to determine actual labour costs.

The manufacturing process was reorganised, but not without some controversy with the employees and the union. During 1955, the light at the end of the tunnel was in sight. Turnover increased significantly in 1956, and the manufacturing process was operating smoothly. Thanks to an influx of orders, the annual report for 1955 showed a small profit, and in the spring of 1956, the number of employees in manufacturing had grown to 170, that is, the same level as when Zacho took over.

Finances were tight during Zacho's first years at Kjærs Mølle, and there was no money for major replacements of equipment. Neither was it possible to have a generous supply of spare parts on hand, and this sometimes led to long manufacturing stoppages. Aage Jensen, who began as a weaver at Kjærs Mølle in 1955, remembers the looms he worked on as follows:

“The looms we worked on were terrible, and the yarn was very bad. There were no lamellas

on the warp threads, and as the looms were in operation all the time, the lack of a thread in the warp direction could easily occur. The pieces we wove were checked for flaws on a table. There was a spotlight under the table, so the defects were easy to see.”

The first improvements in equipment were made in 1956 to 1958: Some of the looms were rebuilt for large shuttles, and 1959 saw investments in new spinning and carding machines as well as looms.

NEW PRODUCTS

The factory's product offerings were in great need of renewal. The mohair goods displayed at a production meeting in 1956, for example, were described as boring and “old lady like”. This “dusty” image had to change if Kjærs Mølle were to survive.

Zachó knew textiles and had a sense of colour and pattern as well as of the qualities that would appeal to the younger generation. The factory continued to make small quantities of material for men's clothing, and renewal came in the form of new, fashionable textiles for women. Soon after he took over the job, Zachó developed new, more fashionable summer and winter collections for women, and the results were not long in coming. These collections became a Kjærs Mølle success.

In 1956, Kjærs Mølle had also begun to use synthetic fibres: So-called chemical fibres. The first fabrics in which synthetic fibres were used were nylon and polyester. Synthetic fibres made headway, but woollen goods of worsted yarn and carded woollen yarn continued to dominate.

Competition was stiff. In Denmark alone, over 25 factories made clothing fabric in the 1950s. In spite of this, Kjærs Mølle soon regained its position as one of the leading Danish manufacturers of fabric for the clothing industry. Limited exports were made in the 1950s, primarily to Sweden.

HIERARCHY AND POOR HEARING

Class awareness was pronounced in the 1950s. This was also true in the workplace and also at Kjærs Mølle. The salaried employees were “better” than the factory workers who were paid an hourly wage, and colleagues addressed one another using the formal personal pronoun, “De”, as well as the titles “Mr” and “Miss”. Factory workers referred to the most poorly paid office workers as “the collar proletariat” because they wore nice clothing and still earned less than any of those paid by the hour. Salaried employees and those who earned an hourly wage did not even use the same toilets.

The master weaver held a higher position in the hierarchy than the tacklers who were higher than the weavers who, in turn, were more highly placed than the spinners. The burlers were often paid less than the weavers, but, on the other hand, had to point out the mistakes made by the weavers when faults were found in the woven cloth. The unskilled workers were at the bottom of the ladder.

The older weavers trained the new weavers for three months, and for this they were paid a bonus. The weavers-in-training had to do the worst jobs, and every Saturday when the looms were cleaned, they had to empty the residue of chewing tobacco and snuff from the spittoons used by the older weavers. Brown spots on the looms and walls bore witness to the poor aim of some of the weavers.

Uppermost in the hierarchy was, of course, the managing director who from November 1954 was Michael Zacho. Contrary to many of his predecessors, Zacho was often seen in the factory and was well known by all the workers.

Leaders of that time were expected to demonstrate the kind of leadership that left no one in doubt as to who was boss. Zacho was that kind of leader, but this was not a style that suited everyone. Many discovered, however, that Zacho respected those who stood up for their rights.



Above: The reception area in 1948, today the office of the managing director. Customers and suppliers were served at the counter.

Below: Fabric finishing machine, 1948. The woven fabric was heated in this machine for stabilising. This was one of the final processes before the fabric was ready for sale.



River water was used both in the manufacturing process and for cleaning up after a hard day's work. The 1950s.

When he expressed the opinion that it was possible to work in the wool storeroom regardless of biting cold and lightweight work clothes, one of the storeroom workers threatened to quit, and Zacho gave in.

The prevailing tone in the workplace was harsher than what we are accustomed to today, and squabbles occasionally resulted in strikes – also at Kjærs Mølle.

The system of hierarchy sometimes gave the workers the impression that they were not appreciated, and this, in turn, had a negative influence on morale. Former weaver, Aage Jensen, has the following recollection:

“There was certainly no interest in cooperating with the ordinary worker, he was just a necessary evil that you couldn't do without, and, of course, this had an influence in the workplace, so people did what was required and no more. There was no flexibility, no one wanted to be moved from the machines they were familiar with, so nobody learned anything new...”

Management felt that the workers showed a lack of responsibility, and in 1948 it was stressed that workers were not permitted to carry

out any activities unrelated to their jobs. A little over 10 years later, Zacho pointed out that the enterprise lost large sums of money due to the thoughtlessness of the workers.

Today, when you talk to people who worked in the factory in the 1950s and 1960s, you have to speak up, as almost all of them have suffered hearing loss. The looms were extremely noisy in those days, and not until the end of the 1950s did some of the weavers begin to protect their hearing a little with cotton wool.

The lighting was poor as well. Lamps were small and were hung at random above the looms. These lamps were replaced by lamps with large shades, so-called “pig lamps”; while these provided better light, they cast shadows when a weaver bent over the work.

No one knew that workers were inhaling poisonous fumes given off by the containers of dye. And there were great temperature fluctuations in the factory. When it was cold outside, it was sometimes so biting cold inside that work had to cease. And when it was hot outside, the heat inside was often so intense that water to which ammonia had been added was sprinkled about to freshen the air.

Environment and working environment were unfamiliar expressions, and their time would not come for a number of years.

NEW RAW MATERIALS AND MARKETS

1959-1977

In the 1960s, Kjærs Mølle increased investments to purchase, among other things, new looms without shuttles – a technological revolution – for the weaving mill. Computer-controlled dyeing machines were added in 1975, foreshadowing an era of new technology.

Sales of clothing fabric increased steadily in keeping with the level of welfare in Denmark, and, generally speaking, the 1960s were golden years for Kjærs Mølle. Wool was not the raw material of choice in the 1960s. Synthetic fibres were suitable for making fabric for clothing and grew in popularity. But Kjærs Mølle found a niche market for

itself in the manufacture of woollen upholstery fabrics that was to become the basis of future operations.

Globalisation became a new catchword, and markets in both Western and Eastern Europe grew in importance. In the 1960s, the organisation became slightly less hierarchical. But conflicts often led to strikes, in particular when piecework rates were involved.

The environment found a place on the agenda. In 1975, Kjærs Mølle invested in a chemical purification plant that reduced both pollution of the river and the use of river water significantly.

INVESTMENTS, REORGANISATION AND COMPUTERS

As Kjærs Mølle's financial situation gradually improved, it became possible to purchase new manufacturing equipment and to introduce a higher level of mechanisation. This was a prerequisite for continued development.

In 1962, the American looms bought in the days of the Marshall Plan were retired and replaced by about ten Swiss Saurer power looms. Each weaver could now operate four looms, compared to previously two. Less fortuitous was the purchase from East Germany of some looms of poor quality that were often in need of repair.

The first Swiss Sulzer looms were installed in 1965. They had no shuttles and represented a technological revolution in weaving. The weaving was done using a "dart" that raced back and

forth across the loom. The number of picks per minute increased from approx. 75 to almost 300, and one weaver could now operate ten looms.

Mechanisation of the looms also increased the amount of cloth that could be made, as each loom was 10 times as productive as the looms used in the 1950s. All in all, mechanisation meant an enormous increase in efficiency and capacity.

Computers were also slowly beginning to revolutionise industry. In 1973, the book-keeping department at Kjærs Mølle introduced data processing with the purchase of an Ascota machine that according to the in-house newsletter "... can do everything on the condition, of course, that a woman sits and feeds numbers and paper into it". This marvel that was to ease the work of the bookkeepers cost 25,000 Danish kroner.



From the left, Production Manager Knud Wosylus, Shop Steward Erik Eriksen and Managing Director Michael Zacho. Photograph from 1976.

In the factory, computer-controlled, punch card-coded dyeing machines were purchased around 1975.

As prosperity increased in Denmark, more and more people could afford to buy fashionable clothing. The carefree 60s and the consumer society were on the horizon. Comprehensive investments at Kjærs Mølle meant that from the early 1960s and for the following 15 years, the company was able to sell its clothing fabric at the same price per metre. This made the company price competitive, and the focus shifted to quantity and fewer designs.

While automation increased the amount of cloth manufactured, the number of employees decreased. In 1960, there were 265 employees; in 1966 this number had dropped to 185 and in 1976 to 135.

In 1976, Kjærs Mølle had existed for 125 years, an occasion that was celebrated in style at Hotel Hvide Hus in Aalborg.

FABRIC FOR CLOTHING AND UPHOLSTERY

From the 1960s to 1977, the factory's use of synthetic fibres accelerated. The development of synthetic fibres worldwide moved ahead quickly, beginning with nylon just after the 2nd World War. This was later followed by polyester, Dralon and polypropylene.

It was natural for Kjærs Mølle to concentrate on synthetic fibres, as these had several obvious advantages in the manufacture of fabric for clothing. Synthetic fibres are stronger than wool and can be spun to finer yarn. Their strength also makes for fewer stoppages. For the buyer of clothing fabric, there is also the advantage of smoother material without folds. The disadvantages, on the other hand, are poorer thermal characteristics and less capacity for moisture absorption than Nature's own product, wool.

Yarns containing synthetic fibres were often used when making large quantities of material for clothing. For long periods of time, the looms were operated in three shifts to keep up with demand. Director Zacho travelled from one end of Europe to the other in order to keep up with fashions, so Kjærs Mølle could always supply clothing fabric representing the very latest in pattern, colour and quality.

From the end of the 1960s, clothing fabric met with increasing competition from the Far East, and, in the long run, Kjærs Mølle could not hold its own in competition with the low-wage countries of Asia. The company gradually returned to its point of departure, wool. This meant that curtain fabric and especially upholstery fabric gained in importance.

Upholstery fabric of pure, new wool was still just a niche market for Kjærs Mølle. But the company had great expertise in this area, and

in 1970, Kjærs Mølle won a gold medal for two upholstery fabrics exhibited at an international textile exhibition in Sacramento, California. Engineer Jarl Nyebølle was responsible for the development of the upholstery fabrics and designed most of them himself. The design *Tonus*, among others, was created around this time for a chair designed by Arne Jacobsen.

Competition within the field of upholstery materials differed somewhat from competition in clothing fabric. Fabric used for upholstery was not nearly so dependent on changes in fashion as fabric for clothing. Around 1970, six Danish companies competed on the clothing fabric market, and imports from other European countries were on the increase.

Kjærs Mølle concentrated its efforts on expensive materials of high quality. Most of the upholstery fabrics made were of pure, new wool, but wool-viscose mixes were also used. Among the customers then were the Danish wholesaler, Kvadrat Boligtekstiler A/S, as well as the textile wholesaler, Gabriel Boligtekstiler ApS, in Fredericia. The latter entered the picture later in an entirely different capacity.

OUT IN THE WORLD

Well into the 1960s, Kjærs Mølle manufactured almost solely for the domestic market, but the Danish market was becoming too small for the Danish makers of clothing fabric. In the mid-1980s, Aalborg's largest textile factory, De Forenede Tekstilfabrikker, ceased operations. This fate was shared by the other Danish textile factories in the decades following the 1960s.

Kjærs Mølle began to look beyond the Danish borders, and from the mid-1960s, exports increased. The Swedish market was developed, and contact was made with salesmen in Norway, Finland, Switzerland, England and the United States. Kjærs Mølle also began to display its products at exhibitions in other countries. In 1967-68, exports accounted for approx. 25% of Kjærs Mølle's sales.



Kjærs Mølle prior to 1973. Although today the factory is inside the city limits, it is apparent that it is situated in a low-lying area near the Østerå River.

In 1968, opportunities arose on a previously unknown market – in Communist East Germany. All trade with that country was carried out in precise accordance with a trade agreement between Denmark and East Germany, and the orders came from the central purchasing agency in East Berlin. In 1968-69, 10% of Kjærs Mølle's production was sold in East Germany, but after a couple of years, exports to that country dwindled. Instead, Kjærs Mølle made great progress in Austria, the company's largest export market in 1971.

And then another opportunity in Eastern Europe presented itself, this time in the Soviet Union. The orders from this quarter were so large that in the early 1970s Kjærs Mølle established a spinlon spinning mill and knitting works specifically to supply the Soviet market. Big rolls of fabric woven of worsted yarn with



The manufacturing process toward the end of the 1970s.

From the upper left corner: Winding, knitting, weaving, dyeing bunting, dyeing raw wool, and at the lower right, a perchlor cleaning machine.

1959-1977

interwoven threads of silver and gold, a product that had no appeal on the Danish market, were also supplied to the Soviet Union.

Exports to the Soviet Union fell sharply toward the end of the 1970s when the Russians forced prices down to an unprofitable level, and the knitting works closed in the early 1980s.

VIRTUES AND CONFLICTS

Although the hierarchical organisational structure continued to be the order of the day in the workplace, distinctions became less pronounced in the 1960s and 1970s. Little by little, use of the less formal personal pronoun, “du”, became more common when addressing colleagues. Zachø celebrated his own change over to this form with a company party, but he continued to address people using their surnames.

Some of the other old virtues remained in place in the office, and job applicants were not hired on the basis of their school leaving papers alone. They had to demonstrate their capabilities by taking tests in writing and arithmetic.

Dissatisfied factory workers had short fuses. And when the shout, “Strike”, was suddenly heard, everything came to a halt, often without everyone knowing in the beginning what the strike was all about. It might be due to a disagreement about the adjustment of piecework rates, for example, following the purchase of new looms.

Many things were forbidden in the 1960s and 1970s, but, in some cases, permission was given for things that would not be allowed today. Considerable amounts of alcohol were consumed in some departments during working hours before an agreement was reached that entitled each employee to drink one beer per day.

After smoking was forbidden in the factory, the smoke in the toilets became so thick that Zachø once again had to allow smoking in the factory. Today it is more difficult to understand that it was forbidden to eat during working

hours. This particular ban was not respected, and more than a few workers nearly choked on pieces of bread or apple when one of the supervisors walked through the door.

WORKING ENVIRONMENT AND THE SURROUNDING ENVIRONMENT

In 1966, the Safety Committee took a closer look at women’s legs. The reason was that many of the women who stood up on the job came to work wearing “anything from gilded dancing shoes to old, worn out slippers”. This was harmful to the legs and back, and the Committee strongly advised against such footwear.

Apart from this, the working environment was rarely a matter of discussion. In the factory, the workers were supposed to protect their hearing with cotton wool, but most would not. In the 1970s, a sound-absorbing material was hung below the ceiling in the weaving mill, but hearing protection was still not used.

Since the founding of Kjær’s Mølle, the waste water from the dye works had gone directly into the river. A glance at the river gave passers-by a pretty good idea of what Kjær’s Mølle was currently making.

Kjær’s Mølle took its first big initiative with regard to the environment in the mid-1970s. Enormous amounts of river water were used for washing raw materials, as much as 1,000 m³ per day. Together with the waste water, up to 20 tons of sulphates were pumped into the Østerå River every year. This stopped in 1975 when Kjær’s Mølle, as the first factory in Scandinavia to do so, purchased a chemical purification plant, an act that was considered to be a great step forward at the time. This greatly reduced water consumption, and chemicals could be used several times over before finally being sent to the national waste treatment plant, Kommunekemi, for breaking down. Use of the chemical purification plant also conserved energy, as less heat was needed for drying.

FROM KJÆRS MØLLER TO GABRIEL

1977-1985

Significant changes were made in Kjær Mølle's business strategy during the eight years from 1977 to 1985.

In 1979, the company was purchased jointly by the employees and the Gabriel family; the latter already owned the wholesale textile business, Gabriel Boligtekstiler, in the town of Fredericia. Through this combination, Kjær Mølle gained a permanent market for its upholstery fabric, and the Gabriel company secured a guaranteed, reliable supply of fabric. As to the product range, Gabriel's influence increased the importance of woollen upholstery fabric in relation to other textiles. Concentration on this niche market, upholstery fabric, made it necessary to increase the

percentage of goods supplied to export markets.

In 1980, Søren Gabriel took over as managing director. He contacted the current chairman of the board, Poul H. Lauritsen, who convinced the pension funds associated with PKA to invest in Kjær Mølle and Gabriel. In 1983, Gabriel and Kjær Mølle merged to become a single group with Gabriel Boligtekstiler A/S as the parent company. In 1984, the group was listed by the Copenhagen Stock Exchange for the first time.

In 1985, the entire enterprise moved to Aalborg. That same year, the current managing director, Jørgen Kjær Jacobsen, replaced Søren Gabriel in that position.

KJÆRS MØLLE FOR SALE

While 1977 and 1978 were years of stability for Kjær Mølle, the future remained unsure. This was due to the financial difficulties of the owners, Odense Kamgarntspinderi.

In Aalborg, office and factory workers alike were worried about how the management in Odense would tackle the situation. Kjær Mølle was, after all, the group's biggest asset, but Odense Kamgarntspinderi was in dire need of additional capital in order to sustain operations.

Kjær Mølle's management considered carefully how they could influence developments and speculated as to whether the workers in Aalborg would be able to buy Kjær Mølle. A decision was made to make the attempt.

All the employees were informed of the plans, and the will and ability of the employees to contribute capital was evaluated. It soon became apparent that a financially strong partner would be needed.

THE EMPLOYEES AND GABRIEL MAKE A PURCHASE

The first possible future partner at the negotiating table was the Aalborg textile manufacturer, De Forenede Tekstilfabrikker, but no agreement was reached. The Danish textile wholesaler, Kvadrat, was also in the picture at one point.

The third possibility was the wholesale business, Gabriel Boligtekstiler ApS, in Fredericia, a company that carried a wide range of high

quality upholstery and curtain fabric, rugs, carpets and wall-to-wall carpeting. A former engineer at Kjærs Mølle, Jarl Nyebølle, who in the late 1960s had started the niche production of upholstery fabric at Kjærs Mølle, now worked at Gabriel's wool spinning mill in the town of Thisted. Kjærs Mølle's management contacted the Gabriel family via Nyebølle.

Gabriel Boligtekstiler ApS was founded by Robert Gabriel in 1943. He still headed the company, along with his two sons, Søren and Palle Gabriel. By becoming part owners of the production facilities in Aalborg, Kjærs Møllens Fabriker A/S, the Gabriel family could guarantee the wholesaler Gabriel a reliable supply of merchandise.

Negotiations with Odense Kamgarntspinderi for the take over of Kjærs Mølle were completed in January 1979. The agreed price was DKK 6 million. Kjærs Mølle would continue to be a limited company with Søren Gabriel as the chairman of the board and Michael Zacho as managing director. The two men were also the largest shareholders. In order to increase operating capital and reduce taxes, the looms were sold to a limited partnership that leased them back to Kjærs Møllens Fabriker A/S.

Kjærs Mølle continued to manufacture fabric for the clothing industry, but, according to plan, primarily supplied Gabriel Boligtekstiler ApS. In 1979, Kjærs Mølle made a bid to supply uniform fabric to the manufacturer of Danish military uniforms, Statens Konfektionsfabrik. The order went to Kjærs Mølle and remained there until the end of 1985, by which time the contract was no longer profitable. Finally, loosely woven fabric for flag bunting, curtains and rugs was made for the Russian market, but this product line was discontinued over a period of years.

In the meantime, Managing Director Michael Zacho and Chairman of the Board Søren Gabriel discovered that they did not work well together. Instead of complementing each other,



The first computer-controlled equipment for precision dyeing was purchased in 1984.

they competed for the leadership of Kjærs Mølle. In the summer of 1980, Michael Zacho left Kjærs Mølle after 25 years of service, and Søren Gabriel became the new managing director.

AN INCREASE IN INVESTMENT CAPITAL AND IN WOOLLEN UPHOLSTERY FABRIC

Following the split, Søren Gabriel contacted solicitor Poul H. Lauritsen in Århus to draw up the papers dealing with Zacho's resignation. On that occasion, Poul H. Lauritsen inspected the accounts and recommended that fresh capital be invested in Kjærs Mølle to ensure continued expansion and to repurchase the equipment taken over by the limited partnership.

At that time, Danish pension funds were beginning to show an interest in investing a part of their considerable assets in good, solid Danish businesses. Poul H. Lauritsen had previously advised the pension funds associated with PKA in making such investments. In 1981,

he was instrumental in encouraging some of the PKA associated pension funds to purchase DKK 3 million worth of Class B shares in Kjærs Møllers Fabriker A/S. At the same time, the investment in Class A shares was increased from DKK 2.5 million to DKK 3 million through the sale of additional shares. The Gabriel family owned a majority of the Class A shares, and the remainder were owned by about 50 employees.

Poul H. Lauritsen was elected to Kjærs Mølle's board of directors in 1981 to represent the pension funds. By that time, it had become clear that Kjærs Mølle was no longer a competitive manufacturer of material for the clothing industry, nor for the loosely woven goods sold to the Soviet Union. Instead, a decision was made to focus on high quality upholstery fab-

In the 1980s, Savak was unquestionably the best-known Gabriel design. Shown here on classic furniture designed by Erik Jørgensen.

ric of pure, new wool as an area with greater potential. The niche market strategy had come of age.

GABRIEL BOLIGTEKSTILER TAKES OVER KJÆRS MØLLE

Cooperation between the wholesaler in Fredericia and the factory in Aalborg became more intensified in the following years. In February 1983, the capital invested in Gabriel Boligtekstiler was increased from DKK 0.9 million to DKK 4.5 million. Two pension funds associated with PKA contributed DKK 0.9 million each. The private limited company was converted into a corporation, and Poul H. Lauritsen joined the board as the representative of the pension funds.

The decision to merge Kjærs Mølle and Gabriel Boligtekstiler was made in the autumn of 1983; Gabriel Boligtekstiler was to be the par-



ent company and Kjærs Mølle the subsidiary. Additional capital was invested in Gabriel Boligtekstiler, bringing the total amount of the share capital to DKK 10.3 million, and the take over of Kjærs Mølle could then be carried out with an exchange of shares.

Poul H. Lauritsen has been chairman of the board of the Gabriel group, now Gabriel Holding A/S, since 1983 and has ensured continuity in periods when many shares changed hands.

It soon became apparent that genuine synergy had resulted from cooperation between the factory and the wholesaler. Due to a large order for the export of upholstery fabric from King Saud University in Saudi Arabia, the annual reports for 1982-83 and for 1983-84 showed handsome profits. Gabriel's American importer was instrumental in securing this order that was valued at over DKK 12 million over a two-year period.

GABRIEL GOES PUBLIC

In the winter of 1983-84, in order to continue expansion, the board decided to list Gabriel Boligtekstiler A/S on the Copenhagen Stock Exchange, where a section for small and medium-sized enterprises, called "Børs III", had been established. The first issue was made in April 1984, and new shares in the amount of DKK 3.7 million were offered and purchased at three times the original offering price. All the company's shares were now in the same class and were valued at DKK 14 million. This issue of new shares gave Gabriel fresh capital in the amount of approx. DKK 10.5 million, and the net equity capital now totalled DKK 28 million, or approx. 50% of the company's total assets.

The stock exchange listing was based on Gabriel's "new" capabilities and sustainable basis



Chairman of the Board Poul H. Lauritsen (on the right) and then Managing Director Søren Gabriel following the initial issue of shares in 1984.

for operations. The company itself controlled fabric design and all the manufacturing processes, including treatment of the raw wool, spinning, weaving, wet processing, dyeing and the finishing of the upholstery fabric. In Denmark, Gabriel was known as a supplier of upholstery fabric of high quality and outstanding design with a strong reputation among leading furniture makers. These included names like Kevi and Labofa in the contract furniture sector, Erik Jørgensen and Fritz Hansen in the domestic sector as well as SAS and the Danish State Railways in the transport sector.

The addition of fresh capital from the issuing of shares was necessary in order to carry out a much-needed modernisation of the equipment in Aalborg and, not least, an expansion of export activities. The latter was a logical consequence of the niche market strategy – the Danish market was simply too small.



This picture, from a brochure describing the company, has led to much speculation as to the length of the fabric, with estimates ranging from 5 to 1000 m. The actual length was 50 m.

GABRIEL MOVES TO AALBORG

In November 1983, Jørgen Kjær Jacobsen was hired to serve as the sales manager responsible for the sale of products manufactured by Kjær Mølles Fabriker A/S in Aalborg and as the sales and general manager of Gabriel Boligtekstiler A/S in Fredericia. He soon recommended closing Gabriel in Fredericia and moving all activities to Aalborg; this decision was made at a board meeting in 1984.

After a thorough clearing out at the factory in Aalborg, space was found for Gabriel's stock and an outlet for the sale of lengths of cloth. The move was carried out in the spring of 1985, the company's logistics were improved and the property in Fredericia was sold.

In the autumn of 1984, Managing Director Søren Gabriel announced that he wished to retire from his position for reasons of health in 1985.

Jørgen Kjær Jacobsen, then 33 years old, became the new managing director, a position he has held since October 1985. He came to the job with an international background and an education in trade and marketing economics, and he naturally focussed on expansion of the export market and the optimisation of production.

CAPTURING THE NICHE MARKET

1984-2001

In February 1986, Gabriel and Kjærs Mølle merged to become the new Gabriel group. The enterprise quickly began to cultivate its particular niche market: high quality upholstery fabrics for the contract market, the transport market and the upscale domestic furniture market.

Serious efforts to achieve export success began in 1984. Results were not long in coming once the right designs and colour ranges had been developed. Over a period of 16 years, the percentage of Gabriel's production supplied to export markets increased from 15% to 75%. Despite occasional setbacks, maintaining a focus on long-term plans has always quickly had a positive effect.

A trimming of production facilities was begun in 1984. In 1988, the first steps toward becoming a fully documented ISO 9001 cer-

tified company were taken. At the same time, this provided the basis for the introduction of a more modern, horizontal organisational structure. Reflecting its position as a responsible enterprise, Gabriel's environmental management has been certified since 1996.

In 1991, the pension funds purchased the shares owned by the Gabriel family, thus obtaining a 60% interest in the company. In 1997, a group of prominent businessmen bought up the shares held by the pension funds.

In the Gabriel of the future, Aalborg will be a centre of know-how, while processing and production will be carried out by a network of partners all over the world. Gabriel can celebrate its 150th anniversary following the best fiscal year in the history of the company.

FOCUSSING ON THE NICHE MARKET

In 1984-85, all of Gabriel was in Aalborg, the company had a solid financial base, and the objective was clear: To achieve a significant international position within the niche market of high quality, woollen upholstery fabrics for the contract market, the upscale domestic furniture market and the public transport sector.

On 1 February 1986, Gabriel Boligtekstiler A/S and Kjærs Mølles Fabriker A/S merged. The new name was *Gabriel A/S* – a natural decision, considering Gabriel's solid position in the furniture trade.

One of the best-known Gabriel designs at that time was *Savak*, woven of Greenland wool and designed by Tove Kindt-Larsen in the early 1960s. In 2001, *Savak* continues to be a classic, popular design, primarily used for elegant, high quality Danish furniture.

Kjærs Mølle also had important upholstery fabrics to offer, for example, *Tonus*, originally developed for the manufacturer of office furniture, KEVI. This quality fabric has celebrated great triumphs all over the world and was later taken over by the textile wholesaler, Kvadrat, who over the years added new qualities and a lovely range of colours to the design.



The pyramids were torn down, and SAS got a new image. In 1983 SAS chose Gabriel as their fabric supplier. A visibly proud group manager presents the finished result.

Another of Kjær Mølle's popular designs was *Bolivia*; this orange-coloured, high quality woollen fabric was used in SAS planes in the 1970s.

Supplying material for uniforms to the manufacturer of uniforms for the Danish military, Statens Konfektion, was a constant source of difficulty. Despite numerous attempts, it proved impossible to alter either agreements made with the supplier of yarn or the customer. Although the uniform material comprised approx. DKK 12 million of the 1984-85 turnover, the decision not to make a new bid for this contract was easily made and quickly improved Gabriel's earning ability.

In the years following the merger, the product range of the former wholesaler, Gabriel

Boligtekstiler A/S, was reduced. Carpets, wall-to-wall carpets and a wide range of curtain fabrics were discontinued during 1985 and 1986.

NEW DESIGNS IN WOOL, AN EXPORT SUCCESS

Gabriel designated Germany as its growth market. In 1983, Jørgen Kjær Jacobsen made his first visit to Germany as sales manager and exhibited Gabriel's designs all over the country. The German furniture manufacturers praised the quality, but described the patterns and designs as: "too Scandinavian for our market."

The furniture makers were most interested in the quality and appearance of the design, *Dundee*, but were not quite satisfied with its colours and durability. Colours were selected in cooperation with the first big customers, and efforts to improve the structure of the yarn were eventually successful.

At that time, wool had a rather "dusty" image, and Gabriel's intense efforts to create a new range of colours led to a breakthrough for the company's woollen upholstery fabrics. Wool was shown to have the best possible properties for the office and conference furniture sector, where new standards had to be met regarding durability and the fire resistance of the fabrics.

This created a fine opportunity for marketing the unsurpassed properties of wool as advantageous to the user, who could enjoy better seating comfort as well as more durable and fire-resistant upholstered furniture. The manufacturers were prepared to put their stake on higher quality and wanted to show their furniture with wool instead of the uninteresting, cheap synthetic fabrics then in general use.

In October 1984, Gabriel participated for the first time in the international contract furniture fair, Orgatec, in Cologne, Germany. Good contacts to German customers were made from a modest stand measuring 12m²,



and the first orders were placed the following year. At the Orgatec fair in 2000, the Gabriel stand measured 135 m².

Although the amount of goods exported was not yet impressive, exports were on the increase and grew from 15% in 1984-85 to 26% in 1987-88. The first export salesmen were hired in 1986, and increasing sales to the big, leading contract furniture manufacturers in Germany, Norway and Sweden quickly followed.

The future looked bright, and the balance sheet showed record sales in 1986-87. But sustainability was stretched to the limit when an international stock market crisis broke out in October 1987. Sales in the European contract furniture sector fell by 30-40% the following year. Most furniture manufacturers had to cut back, and a number declared bankruptcy.

Gabriel's niche market faced considerable pressure, but management continued to see the contract furniture sector as the company's best potential market and felt that by remaining faithful to it, success would be achieved in the long run. The board of directors and management realised that a reduction of activity in the niche market could mean the road ahead would be long and difficult.

In 1988, Gabriel won a contract in Norway with a new design called *Novo*. The design prov-

A special Gabriel exhibition at the 1992 Bella Center Furniture Fair. This prominent area will also be made available to Gabriel in celebration of its 150th anniversary.

ed popular throughout Europe and was an important feature in the export market breakthrough in 1988 and 1989 where the percentage of goods exported increased from 26% to 34% in just one year.

The enterprise was on the right track and was competitive. This was illustrated by, among other things, the fact that exports to, in particular, the difficult German market increased year by year despite a significant market slow down. These were troublesome years, however, with a constant need to trim costs to make room for future activities.

TRIMMING PRODUCTION FACILITIES

It was one thing to experience success by developing new furniture fabrics that could fill the order books and quite another to gear factory output so that Gabriel could make on-time delivery of the agreed quality. Many key employees retired in the early 1980s, and as they left, the factory lost valuable knowledge and experience. The company was particularly vulnerable because the individual routines



Managing Director Jørgen Kjær Jacobsen on the left and Quality Consultant Anders Hahr on the presentation of the ISO 9001 certificate in March 1991.

were not documented, making it difficult to maintain uniform quality and to train new employees.

In 1984, the factory ran into a significant technical problem that could only be solved with outside help. By coincidence, textile engineer Børge Hansen, formerly the technical manager of the then closed Hørsholm Klædefabrik, was hired to solve this and other technical production problems. Børge Hansen, hired when he was 70 years old, became a member of the board of directors. At almost the same time, the company hired a young engineer to be trained to carry on Børge Hansen's work when the latter retired, which he did in the spring of 1988.

The problems were solved, and throughout 1985, considerable production improvements were made.

Spinning capacity was doubled in January 1986 when Gabriel purchased the activities of the bankruptcy-threatened company, Falster-

garn, in the town of Nykøbing on the island of Falster. The Nykøbing spinning mill, Gabriel Garn, could make greater quantities of better quality yarn than the worn-out spinning mill in Aalborg. The latter was closed in 1989, and investments in new equipment and greater capacity were made in Nykøbing.

Gabriel Holding A/S purchased the carpet manufacturer, Scantuft, in the town of Holstebro, in 1988. The group of major shareholders in the two companies was almost identical, and their plan was to make full use of the capacity of the yarn-spinning mill in Nykøbing.

The results did not live up to expectations, however, so already in 1989-90, Gabriel made a trade with Denmark's largest producer of carpets, Ege Tæpper, so Gabriel instead took over another manufacturer of upholstery fabric, Herning Klædefabrik. Production in the town of Herning was moved to Gabriel in Aalborg, and the take over of the customers, patterns and stock of Herning Klædefabrik added DKK 10 million to Gabriel's turnover. Many machines were left standing in the buildings in Herning, and a textile museum has now been opened there.

CERTIFICATION AND A HORIZONTAL STRUCTURE

In June 1988, key employees in manufacturing, sales and administration held a brainstorming session in the town of Skagen. The result was a catalogue of problems to be solved. Many of them were so small that they could be solved the day after the employees returned to the factory, but larger, more fundamental difficulties were to be resolved under the heading: "Quality control".

A new system of management, designed to ensure well-defined goals for quality and management was to be introduced. Clear procedures and instructions for documentation and the distribution of responsibility would be set up to deal with most of the problems. The common

goal was defined: The introduction of a system of quality control aimed at achieving ISO-9001 certification in the autumn of 1990.

Reaching this goal involved the participation of all the employees. Everyone was required to think new thoughts. Discussions were held on an equal footing, across traditional organisational and professional boundaries. Areas of particular focus were information, influence and the inclusion of all employees in improving work routines.

The goal was reached, and Gabriel's environmental management was certified in accordance with the ISO-9001 standard in March 1991 – it was the first manufacturer of upholstery fabric in Europe to be certified and was among the first companies in Denmark to receive this mark of distinction. Certification was granted at virtually the same time as the company's 140th anniversary, and both events were celebrated with a party for the employees.

Quality control increased both quality and the company's ability to meet demands, but improvements were still called for. One negative aspect of quality control was a tendency to create bureaucracy – too often the heart of an issue became buried in paperwork. Furthermore, a vacuum arose following the celebrations: The customers had been forgotten.

In the autumn of 1991, therefore, a new brainstorming session was held for many key employees, both salaried and hourly-wage employees. The goal was to put "The Customer in the Centre", a motto that has since become familiar to every Gabriel employee. The company would make every effort to react more quickly, and the customers would see that Gabriel was the best supplier in the trade.

At this meeting, the decision was made to organise the work in self-governing groups, and each group was to have an hourly-wage worker to coordinate the filling of an order. The super-



The Gabriel motto: "Together We Are Strong" illustrated during a course held for all the employees in 1992.

visors would no longer direct the work and filter communications but would make use of their professional training in improving production techniques. This contributed to the breaking down of barriers between departments and professions and to the introduction of a horizontal organisational structure.

Finally, efforts were to be made to ensure that the knowledge that was now documented would not only be maintained but also expanded. This plan called for perseverance, but it was carried out and is daily routine in 2001.

ENSURING INDEPENDENCE, 1991

The structure of the concern was altered in October 1988. Gabriel Boligtekstiler A/S was reorganised to become Gabriel Holding A/S,



Above: A design computer was purchased in 1993, making it possible to “upholster” furniture with Gabriel’s fabrics in 3 dimensions.

Below: Everyone can see and study the results and measurements.

and operations were divided between Gabriel A/S in Aalborg and Gabriel Garn A/S in Nykøbing on Falster.

Gabriel’s founder, Robert Gabriel, died during the fiscal year 1988-89. His son Palle Gabriel had also died. Robert Gabriel’s position on the board of directors was filled by Søren Gabriel who, in the meantime, had moved to England. It was difficult to attend to work on the board while living in England, and in 1991, Søren Gabriel wanted to sell his shares in Gabriel.

In order to ensure the Gabriel enterprise’s freedom of trade, it was important that Søren Gabriel’s shares remain in reliable hands. Once again, the pension funds proved to be an invaluable, stabilising factor. Chairman of the Board Poul H. Lauritsen was instrumental in seeing to it that the pension fund, Pensam (an offshoot of PKA), bought the majority of Søren and his sister Hanne Gabriel’s shares in 1991, and a private businessman purchased the remaining shares. With these sales completed, the Gabriel family was no longer involved in the enterprise, and various pension funds owned about 60% of the shares.

In 1993, Gabriel was listed by the main stock exchange, Børs I, after the closing down of Børs III. A listing by Børs I requires a share capital of at least DKK 15 million. A transfer from the company’s own reserves increased Gabriel’s share capital by DKK 7 million to DKK 21 million, the amount of the current share capital.

In October 1993, Gabriel A/S merged with Gabriel Garn A/S and Herning Klædefabrik A/S, and the company continued under the name, Gabriel A/S.

MOVING FORWARD ON A SUSTAINABLE FOUNDATION

A sustainable foundation was laid in 1991: Gabriel had a secure position in its niche market, woollen upholstery fabric, had developed new designs that were successful on the export market, had trimmed and quality certified its production facilities and had a solid financial base. The foundation for increasing sales activities to ensure continued growth was in place.

In 1992, 6 junior salesmen and 2 sales managers were hired, and all were given comprehensive sales training. One subject that received special emphasis in this training course was “concept sale”, an area developed at that time. The thinking behind concept sale is that



Gabriel must be able to document that a purchase from Gabriel is the customer's best buy.

Around 1992, the design known as *Gaja* appeared. Today, this crepe upholstery fabric in a unique range of colours is Europe's contract market leader, and sales continue to increase. While 1992 got off to a fine start, in September, the European exchange rate cooperation, the EMS, was shaken by speculation. Gabriel's then most important markets, Germany, Sweden, Italy and England, were hard hit, and large devaluations followed.

The economic storm sent the contract furniture market into decline. Once again, Gabriel's board of directors and management decided to remain faithful to their belief that the foundation of the enterprise was sustainable, in spite of the fact that all their primary markets were showing a 20-30% decline.

They were right again. While in 1992-93, the company did have to record a net turnover that was 8.5% lower than the previous year and a deficit before taxes of almost DKK 8 million,

In 1997, in celebration of her 25th Jubilee, Her Majesty Queen Margrethe II travelled throughout Denmark, making Aalborg her first stop on 12 May. Queen Margrethe and Princess Alexandra visited Gabriel and were given a tour of the factory.

In the picture, Managing Director Jørgen Kjær Jacobsen is shown presenting rugs specially designed for the Queen and the Princess by Jette Gemzoe.

a modest profit was shown the following year as well as a slight increase in turnover.

When the crisis ended in 1994, Gabriel invested in a CAD system that increased the efficiency and flexibility of design and product development.

Since 1993-94, Gabriel has benefited from relatively stable markets for contract furniture. The sales organisation has been expanded, and the results are measurable: Turnover has increased every year since 1993-94 and has broken previous records every year since 1995-96. The



Gabriel received North Jutland County's environmental award in 1995. The bronze sculpture was created by sculptor Agnethe Brittasius.

percentage of goods exported has shown a steady increase; more than 50% of the goods manufactured were exported in 1995-96, and this has increased to 75% in 2001.

In 1999, sales activities were divided into three independent divisions: Gabriel Contract, Gabriel Home and Gabriel Transport. This step was taken to ensure better utilisation of Gabriel's capabilities in each of the three segments. Contract is the largest division by far, accounting for 80% of turnover in 1999-2000, and today Gabriel is Europe's market leader in this area. Home and Transport shared the remaining 20% of turnover, but these segments repre-

sent the greatest potential for future growth. Export initiatives are backed by Gabriel's own sales representatives in seven European countries.

ENSURING INDEPENDENCE, 1997

In 1997, a big American group, Interface, took over Gabriel's largest competitor on the contract market, the English company, Camborne Ltd.

The possibility that Interface or others would be interested in taking over Gabriel A/S could not be ruled out. A controlling interest could be obtained simply by purchasing the 60% of the shares held by the pension funds.

Chairman of the Board Poul H. Lauritsen and Managing Director Jørgen Kjær Jacobsen investigated the possibility of convincing a group of successful businessmen to buy most of the Gabriel shares owned by the pension funds. This was accomplished in the spring of 1998, and calm once more descended on Gabriel's financial base.

Later, the Thygesen group in the town of Ikast purchased the remaining shares held by the pension funds (approx. 7%). The Thygesen group is considered to be a good partner for Gabriel as regards future development and production.

THE RESPONSIBLE ENTERPRISE

From the second half of the 1980s, environmental issues and the working environment have become increasingly important factors when defining a successful enterprise.

Well into the 1980s, the noise level in the weaving mill was far higher than current requirements. Already in the early 1980s, attempts were made to install sound-absorbing pieces of cloth, and the use of hearing protection was required. In order to meet new demands for the lowering of noise levels, noise shields were installed on all the looms.

In the 1990s, interest centred on the relationship with the surrounding environment. The authorities made new demands that had to be met, and increasing environmental taxes were a growing financial burden. Management anticipated that ordinary consumers and industrial customers would also soon demand environmental awareness. A targeted effort to reduce environmental impact also became a means of reducing the consumption of energy and raw materials. At the same time, special tools were developed for monitoring, controlling and reducing the company's impact on the environment.

In cooperation with four other Danish manufacturers in different trades, Gabriel initiated efforts to achieve environmental certification. Via the so-called M.I.R.T.-project (Medarbejderindflydelse ved Introduktion af Renere Teknologi [Employee Influence on the Introduction of Cleaner Technology]), hourly-wage and salaried employees in the five companies learned from one another's experience in gathering environmental data and reducing environmental pollution. This work became the basis for introducing a system of environmental controls.

In appreciation of its efforts on behalf of the environment, and the inclusion of the employees in these efforts, Gabriel received North Jutland County's environmental award in 1995. Upon presentation of the award, Gabriel was given a bronze sculpture that has been placed in the company's courtyard.

In April 1996, Gabriel achieved a major goal – environmental certification according to the ISO 14001 standard. In 1998, this was followed by certification in accordance with the European EMAS scheme. In 2001, leading furniture manufacturers have introduced environmental controls calling for precise documentation of the environmental influence of upholstery fabric. Gabriel was at the forefront of this development.



The M.I.R.T. project provided the basis for the introduction of an environmental monitoring system. Project participants from other companies are shown here during a visit to Gabriel.

Likewise, in 1999 in cooperation with Cowi Consult, Gabriel was the first supplier of upholstery fabric to complete a life-cycle analysis, covering everything from the environmental influence of the sheep in New Zealand that supply the wool to the disposal of the used upholstery fabric.

Gabriel's environmental efforts have also meant that, today, river water is only used for the washing and dyeing of wool. The chemical purification plant installed in 1975 proved to be a potential health risk. In the event of leakage, the solvent used in the plant, perchlor-



Chairman of the Board Poul H. Lauritsen at the inauguration of a new drying oven in 1998. The purchase price was approx. DKK 6 million.

ethylene, could be very dangerous to the respiratory tract. The plant was therefore closed down in 1996. The use of heavy fuel oil was discontinued that same year when natural gas was introduced for work routines, and district heating was installed.

Today, following extensive investment in water purification and water softening plants, river water is used only for internal work routines. This water is no longer returned to the river, as it was prior to 1986, but is sent to the municipal water treatment plant. The waste water contains no harmful substances and is in compliance with all environmental regulations.

In 1999, following extensive cooperation with two suppliers of dyes, Gabriel could inform its customers that it was the first supplier of upholstery fabric to exclusively use dyes containing no heavy metals.

A further consequence of Gabriel's comprehensive approach followed in 1998, when in the so-called VIA-project under the auspices of the Municipality of Aalborg's advisory programme for young people, the company set up practical training positions for young men and women who would otherwise have difficulty in finding jobs.

THE INNOVATIVE ENTERPRISE

Gabriel's position as a leader in its niche market is easily explained by the company's ability to launch not only new designs but also new solutions.

In 1994, Gabriel introduced the design, *Comfort*, a so-called non-woven micro-fibre upholstery fabric that looks like suede. While this particular type of fabric was already well known in the clothing industry, it had not previously been popular in the furniture trade, where other technical requirements must be met. *Comfort* was developed as an exclusively priced, top quality upholstery fabric. Sales grew quickly, and in 2001, the design is increas-

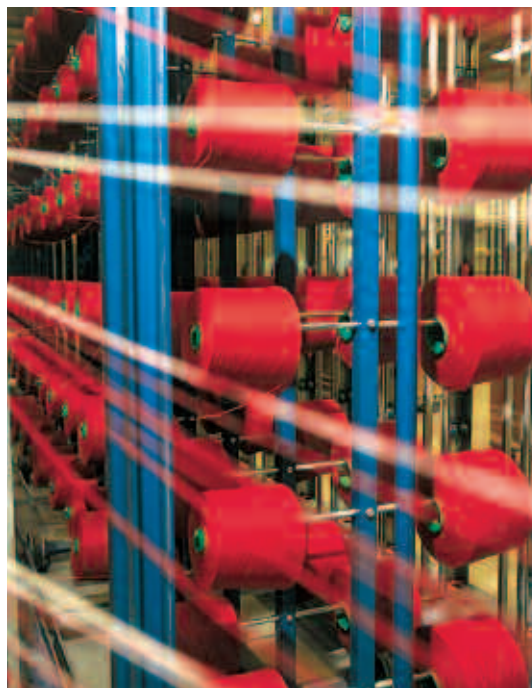
ingly used in each of the three market segments. It is safe to say that *Comfort* is one of the biggest success stories in the European upholstery fabric trade in recent years.

In 1999, Gabriel began developing a new series of woollen upholstery fabrics for the European domestic furniture sector. Today, people within the trade describe this series as innovative and unique. This product line was originally developed for the German, Dutch and Italian markets. It was launched in 2000, and the first months of 2001 suggest that the first series will meet with success. Trend-setting Italian and German furniture manufacturers exhibited the fabrics at the international furniture fair in Cologne in January 2001, and more will be shown at the Milan fair in April 2001. Gabriel feels certain that this is just the beginning of an exciting future in the domestic furniture sector.

At the Orgatec fair in Cologne in October 2000, Gabriel was the leading manufacturer of upholstery fabric for the contract furniture sector. At the same time, Gabriel was the most innovative manufacturer and presented a whole new concept in fabrics for sustainable seats and screens. Prototypes were demonstrated for selected manufacturers, all of whom showed great interest. This was the first of a number of development projects that are the focus of intense activity in the anniversary year, 2001.

In the years to come, Gabriel will continue to develop its primary areas of expertise in the manufacture of woollen upholstery fabrics, but the development of new, exciting synthetic fibres with special characteristics that meet fixed demands – including environmental demands – will also have high priority.

Gabriel will undoubtedly continue to function as a manufacturing enterprise for many years to come. The company's major areas of exper-



Quality-conscious employees make use of the newest technology.



Gabriel's stand at "Orgatec 2000", Europe's largest furniture fair, held in Cologne.

tise continue to be the wet processing, piece dyeing and finishing of woollen upholstery fabrics. Investments in new technology in these areas will continue in 2001. The company represents a high level of professional know-how, ensured by the hiring of new employees since the end of the 1990s.

The looms that have woven faithfully near the Østerå River in Aalborg for 150 years will be used for new, equally interesting tasks in close affiliation with the competent enterprise, Gabriel.

Samples will continue to be woven in connection with development and design. Gabriel's expertise of long standing in connection with the manufacture of sample cards and fabric for sample collections is currently being organised in an independent business called "Sample Master". New technology is also used in this area.

THE COMPETENT ENTERPRISE

When Gabriel was listed for the first time on the stock exchange in 1984, revenue was added to spinning, weaving and distribution, in particular. This picture changed throughout the 1990s. Just as the manufacture of jersey cloth, fabric for the clothing industry and material for uniforms proved unprofitable in the 1980s, in the last half of the 1990s, it became less profitable to spin and weave in Denmark.

Gabriel, therefore, carries out this work in cooperation with spinning and weaving mills at several locations in Europe. In August 2000, the spinning mill in Nykøbing on Falster was closed and the equipment leased to a partner in Lithuania. Spinning and most of the weaving are today out-sourced to partners in Lithuania, a country with proud textile traditions.

What are the current and future tasks of Gabriel in Denmark and its approximately 135 employees?

First and foremost, the company will concentrate its efforts on creating a centre of ex-

pertise for quality upholstery fabric. For Gabriel, knowledge and the sharing of knowledge will be important sources of productivity.

In 2000, Gabriel strengthened its expertise by establishing a new development department comprised of competent textile engineers and designers. The development department will ensure that Gabriel continues to be an innovative partner for its customers in the three segments, Contract, Home and Transport.

Over time, Gabriel will become a virtual enterprise, where operations can be carried out many places in the world. Gabriel in Aalborg will be at the centre of a large network that de-

velops and manufactures upholstery fabric. This will make great demands of logistics and information technology, two areas that have, therefore, been considerably strengthened in recent years. In 2000, a new management area for IT and logistics was established to ensure an on-going ability to meet demands as well as progress toward becoming a digital enterprise.

Gabriel's future is based on living up to the first sentence in the company's concept as expressed in 2000:

“Creativity, innovation and partnership which creates added value are keywords in Gabriel's business concept.”

A group of employees gathered on the lawn at the annual summer banquet.



150 YEARS OF STRONG THREAD

We have followed Kjærs Mølle and Gabriel for 150, often dramatic, years during which almost everything has changed. Is it possible, in spite of the many changes, to identify a single thread that has defined success throughout the entire period?

In almost all the years, *wool and the treatment of wool* have formed a strong thread, a core expertise. Only during the 2nd World War, from 1940 to 1945, and for part of the 1960s and 1970s did wool take a backseat as a raw material in the manufacturing process. But it never completely disappeared from view, and, therefore, the company has been able to maintain its competence in this area and could quickly return to wool as a basic raw material.

In the 1960s, when the manufacture of fabric for the clothing industry was dominated by synthetic fibre, a niche market for woollen upholstery fabric began to grow. When, from around 1980, there was no profit to be gained

from the manufacture of clothing fabric, the upholstery fabric niche market became the life nerve of the enterprise.

Traditionally, Gabriel has mastered every process from the treatment of raw wool to the finishing of the woven fabric. Today, this is changing, and Gabriel is rapidly becoming a centre of expertise. Work routines are being out-sourced, but the knowledge base and the finishing of the products will remain with Gabriel in Aalborg.

Today, Gabriel takes its responsibility for the environment, the working environment, information and employee influence seriously. This has been rewarded by the loyalty of both the company's employees and its owners.

Over the past 15 years, Gabriel has established itself in a well-defined niche market with long-term plans for the future. The company has demonstrated that it adheres to its goals, also when market conditions are unfavourable. This policy has been a good one – its results speak for themselves.

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GLOSSARY

Burler: A worker who removes knots from the surface of cloth.

Carding: The disentangling of fibres before spinning.

Combing: A process that removes the short woollen fibres.

Copyhold: Tenure of land based on manorial records.

Cropper: A worker who cuts nap from cloth.

Dressing: The size or stiffening used to give textiles certain characteristics.

Frieze: Coarse woollen cloth with a nap, usually on one side only.

Fulling: A process for thickening cloth.

ISO: International Organisation for Standardization; an organisation that develops international standards in many areas, including quality control and environmental monitoring.

Kersey: A kind of coarse, narrow cloth woven from long wool, usually ribbed.

Øre: A Danish coin worth 1/100 of a krone.

Owners of the manorial right: the actual, legal owners of a property.

Rix-dollar: the dollar of the realm; an old silver coin of Scandinavia.

Tackler: A person who sets up the loom and starts it. The tackler has a technical knowledge of weaving.

Warper: A worker who arranges the warp or threads running lengthwise in the loom.

Willower: A worker who operated the willow, a machine used for plucking and cleaning raw wool.

Worsted: Yarn spun from long-staple wool. Before spinning the short fibres are removed by combing.

WOOL

Animal fibre forming the protective covering (...) of sheep or of other hairy mammals, such as goats and camels. Prehistoric man, clothing himself with sheepskins, eventually learned to make yarn and fabric from their fibre covering.

www.britannica.com

ANIMAL FIBRE

In the 1990s, textiles made of animal fibre made up only about 1/10 of the world's textile production but played an important role due to, among other things, their elasticity, thermal and moisture-absorbing characteristics.

Den Store Danske Encyklopædi

WHY WOOL?

It is a natural fibre.

It is biodegradable.

It keeps you warm when it's cold.

It is cool when it's hot.

It has an attractive appearance that lasts for years.

It is safe: Wool does not burst into flames in contact with fire or hot embers.

It absorbs moisture: Wool can absorb up to 35% of its own weight – and still feel dry.

It is soil resistant.

It absorbs liquids slowly, so spills do not easily penetrate.

It is very elastic.

It is suitable for combining with, for example, nylon.