

Book Reviews

Brewing Battles: A History of American Beer
by Amy Mittelman
Pp. 229. Algora Publishing: New York, 2007. \$ 22.95
ISBN 978-0-87586-572-0

Ambitious Brew: The Story of American Beer
by Maureen Ogle
Pp. 432. Hartcourt: New York and London, 2006. \$ 15.00
ISBN: 978-0-15-603359

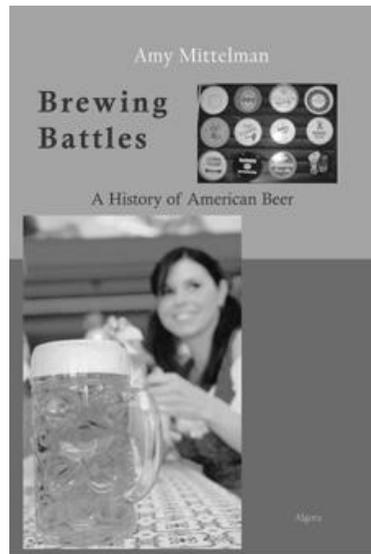
We needed a new history of American beer and brewing. They are an important part of the history of liquor; after 1890 Americans consumed more alcohol from beer than from any other beverage. Stanley Baron's *Brewed in America* appeared in 1962. It remains an informative book. Thomas Cochran, a scholarly giant of his generation, published his history of Pabst, based on access to the firm's archives, in 1948. But in the decades since their publication our knowledge of the relevant history has grown. Business history was greatly enriched with the appearance of Alfred D. Chandler's prize-winning *The Visible Hand: The Managerial Revolution in American Business* in 1977, a book that included a discussion of the rise of the

modern brewing industry in the late nineteenth century, among many other works. Moreover, since Cochran and Baron wrote their books, insight into efforts to control the liquor industries, including brewing, have leaped forward. And we know more about the international context of American brewing thanks to the work of Gourvish and Wilson, among other writers. Persons fascinated with beer history have explored the story of individual breweries and beer in particular places, such as Jerrey Apps' book on the state of Wisconsin.

Now we welcome two books to help us understand American beer, the techniques of its production, the businesses that supply and distribute it, and government policies that regulate it more clearly. Each is a worthwhile, and different, endeavour, bringing new perspectives and information to the subject. Both Maureen Ogle and Amy Mittelman love beer, as does this reviewer, and they approach their subject with solid research and engaging prose, albeit with considerably different perspectives and emphasis. These two books complement one another; they do not compete. Mittelman begins her story with the Pilgrims who brought beer with them from England in 1620, while Ogle starts her narrative with the advent of lager brewing brought to the United

States by German immigrants in the middle of the nineteenth century. Mittelman focuses on public policy, especially taxation, while Ogle is more informative on brewing technology and its product, beer (or, more accurately, beers). In these regards each book demonstrates strengths and weaknesses.

Beer, of course, is not an ordinary product. As an alcoholic beverage, it is one of the mood-altering substances, along with tobacco and caffeine, which Europeans commoditized starting in early modern times. Later, all western societies, as they became increasingly prosperous and modern, sought to exercise special controls over the consumers of alcoholic beverages and over the beverage marketers. There was, of course, a different balance between these twin policy impulses in different places at different times, but controls were usually present in some form. The North American British colonies enacted laws for regulating the behaviours of drinkers. Eventually, across the English speaking world movements to promote temperate consumption and, sometimes, outright prohibition of the manufacture and sale of alcoholic beverages spread, with varying success. Nowhere were these marketing controls more thoroughgoing than in the United States, which enacted national prohibition of the manufacture and sale of alcoholic beverages, a policy in effect from January 19th, 1920 until December 6th, 1933. A few American states even went so far in controlling drinking as to extend prohibition to the



possession of alcoholic beverages. In the United States, the reality of these policies and the religious, moral and public health considerations underlying them lend special concerns to the history of beer, subjects that each of these books includes. (Ogle stated wrongly that the first state prohibition law, passed in Maine in 1851, outlawed consumption.)

Ogle and Mittelman have somewhat similar backgrounds. Each author holds a doctorate in history from a distinguished American university. Ogle's dissertation, which resulted in a successful monograph, was about plumbing and the cultural impulses that spawned its adoption. Mittelman wrote her dissertation on the politics of the American liquor industry and its taxation during the Civil War and the decades immediately thereafter. She has written about beer, alcohol, and pub-

lic policy in shorter pieces before turning to this larger endeavour for the general reader. Her book benefits from this background, as well as her extensive additional research. Ogle, on the other hand, after rejecting an academic career in favour of writing books for the general reader-this is her third book-approaches the subject anew. Ogle's research was, in some ways, more extensive than Mittelman's effort. Ogle has plumbed business records, the business press, public archives, court records, and substantial interviews in support of her project. Ogle's prose is, in general, sprightlier; Mittelman's chapters sometimes are a jumble of subjects.

Ogle pays extensive attention to just a few of the more prominent German-American brewers who did so much to introduce and enlarge the brewing industry. Her focus on the Busch family of St. Louis, the Best and Pabst entrepreneurs in Milwaukee, and later the Millers, brings life to her story. The shortcoming of this approach, however, is that it somewhat obscures the evolving structure of the industry. There were regional brewers, such as Hoester of Columbus, Ohio, of no-little importance in the industry's leadership, and local brewers who remained prominent in particular markets and, as regulation and prohibition loomed, local polities. (Martin Stack's research that showed the importance of medium-sized brewers, although referenced by each author, is not really integrated into either of the books at hand.) Ogle extends this approach to the development of so-called

'craft-brewing' or 'micro-brewing' during the late twentieth century. Her stories, based on extensive research in periodical literature and interviews with industry pioneers and leaders, adds substantially to our knowledge of the fragmentation of the American brewing in recent years.

Brewers appear in Mittelman's book, which includes synoptic, almost encyclopaedia-like entries on individuals and their firms. But Mittelman's emphasis is different. Her dissertation showed a fascination with taxation policies and this interest continues in her brewing history. American governments have long taxed liquor manufacturers and retailers in order to raise money. During the Civil War, the Union Government, desperate to pay its bills in 1862 launched, among other policies, a tax on each barrel of beer produced. The brewers, in turn, organized the United States Brewers' Association, the nation's first modern trade association, to influence government policy and guard the industry's interests. This was the first example of what became a very widespread associational movement in American business.

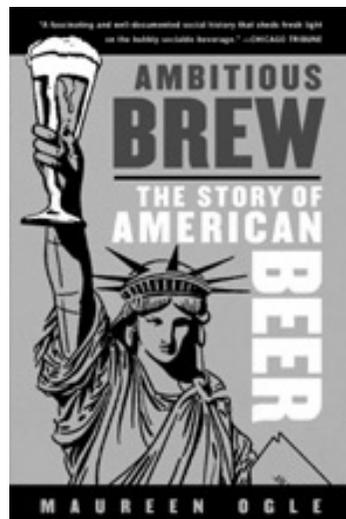
This system of taxation was industry 'control,' but it was not 'control' in the usual sense used by historians of regulation. Mittelman's 'control' meant that federal officials worked closely with brewers when they collected their taxes. A symbiotic relationship ensued, a kind of 'corporatism' in the language of regulation, and one that was not always friendly when the government raised its taxes.

In general, the brewers were happy with the arrangement, however, because they believed that the vital role of such excise taxes in government budgets protected them from substantial marketing controls, including outright prohibition of beer marketing. Of course, as anyone versed in U.S. history knows, they were wrong. Prohibition eventually made illegal the manufacture, distribution, and sale of alcoholic beverages.

We who love our beer can have difficulty understanding the impulses behind the prohibition movement. We must remind ourselves that modern societies usually exercise marketing controls over liquor; prohibition is the most extreme example. In the case of the empowerment of the very popular American prohibition movement, the brewers and their system of saloon marketing were substantially responsible. They allowed saloons to proliferate and seem noxious in the eyes of many observers. Some brewers recognized reality. In Ohio, the home state of the Anti-Saloon League, they launched a self-reform, eliminating hundreds of saloons and improving the industry's image, which took the steam out of the prohibition movement. Efforts to take these techniques to the national arena foundered, however, in the face of disagreeable brewers who falsely believed that beer was a 'temperance beverage' and that prohibition would apply only to distilled spirits. Furthermore, alcohol consumption then, as now, sometimes led to terrible individual, familial, and social costs. Prohibition supporters quite simply

were willing to sacrifice whatever pleasures drinking might provide in order to lessen those costs, a value system that later, more narcissistic generations, did not share.

Prohibition, in short, led to substantial reductions in alcohol consumption. Both authors fail to clarify that the very conservative Americans who promoted Repeal did not want any marketing controls. Federal policy makers responded by constructing a three-tiered system, which brewers favoured in the 1930s and still defend, of separating manufacturing, distribution, and retailing. Ogle, however, falls especially short in depicting marketing controls. Lacking critical distance, she adopts the rhetoric of the brewing industry in her discussion of prohibition and of its later opposition to revived efforts to place limits on alcohol marketing. When alcohol consumption reached pre-prohi-



bition levels in the 1970s, Americans developed a new marketing-control movement rooted in the public health professions. (Other societies also saw similar movements in the late twentieth century.) The American liquor interests falsely labeled this movement 'neo-prohibition.' In the U.S., these reformers had very little success. They won labels warning of foetal alcohol syndrome, which other nations sometimes eschewed in the face of medical reality, but failed to achieve almost every other goal. One of the legacies of prohibition in the United States remains the claim that it 'failed;' controls over liquor advertising in the United States have actually weakened in recent years and are less than those of any comparable Western nation, as revealed in the reports of the Federal Trade Commission, an agency of the national government. American controls over the behaviour of drinkers, in the form of standards for blood alcohol levels in drivers, are also weaker than those of Japan and many European nations.

After prohibition, American brewers and distillers struggled to recapture markets in the face of drinking rates that had declined. The halcyon days for American brewers occurred with the post-1945 'baby boom' generation reached drinking age. The industry prospered substantially and tried to maintain its markets and profits with skilful advertising and marketing campaigns. Then beer consumption stagnated. Ogle would have us believe, wrongly, in the industry rhetoric claiming that government controls were to blame

for the decline in per capita consumption as the population aged. A main way of controlling consumption is to control prices, and American reformers failed to have beer taxes keep pace with inflation so beer became relatively less expensive as time passed. In spite of the political victories of the liquor interests, beer consumption remained stagnant.

Another flaw in Ogle's book lies in her discussion of the newer brewers who have recently revived the traditional darker ales and lagers that lost favour in the American market during the late nineteenth century. American brewing fragmented in the late twentieth century, a fragmentation that parallels much else in American business and culture. In general, mass produced goods in the tradition of Henry Ford or Adolphus Busch have declined, and markets, and the popular culture that supports markets, have splintered. Beer and brewing are part of this pattern. Ogle, unfortunately, shows condescension to those of us who still drink lighter lagers and who do not share her palate.

In summary, both of these works are welcome and different additions, books that readers will enjoy. They are also books that have weaknesses that cannot be overlooked for those readers who want to understand the story of beer and brewing in the United States.

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**Strategic and Organizational Change:
From production to retailing in UK
brewing 1950 - 1990**
by Alistair Mutch
Pp.xii + 178.London: Routledge, 2006.
£80
ISBN 0-415-36050-1

The primary concern of this book is to provide an explanation of how the brewing industry underwent fundamental changes during the second half of the twentieth century. This was a pivotal period in its development, characterised by a move from a concentration on the production of beer to one more devoted to beer retail.

The study begins with two chapters in which Mutch seeks to define a theoretical framework to underpin and inform his investigation (he acknowledges that this may not be of concern to some readers, but hopes that they will find the rest of the book contains enough to be of interest). He starts by assessing a number of approaches which, to certain degrees, 'address some facet of the central issue of how it is that dominant actors in organizations come to conceive of their situation and adopt strategies towards it.' A key figure in shaping contemporary debates is Alfred Chandler whose first major work in this area was published in the early 1960s. He asserted that the strategies an organization chooses to follow determine its structure, a view Mutch sees as being particularly important. Chandler acknowledged that policies are influenced and constrained by factors external to the organization, but the nature of these factors and how they act are, in the authors eyes, never adequately explained. This is also a

criticism Mutch levels at subsequent theorists. What is required, he argues, is a perspective that allows for an understanding of individuals and social structures, gives equal weight to both, and allows us to gauge how one influences and is influenced by the other.

After dismissing the work of Anthony Giddens, the author allies himself with the position of Margaret Archer. Her brand of 'critical realism' appeals for two main reasons. Firstly, she portrays structures as possessing emergent properties which gives them causal, but not determining, powers over actors. Secondly, her analytical dualist approach is inherently temporal, the interrelations between agency and structure occur in successive cycles through time. Consequently, in allaying himself with this standpoint Mutch must first explore the initial structural conditions within the brewing industry in the early 1950s. He does this by giving a brief historical overview of the industries attitudes to drink retail during the inter-war years. Throughout the 20s and 30s public houses were run predominantly as either 'free houses' (independent concerns under no obligation to a particular brewery) or as 'tied hoses.' This latter category included enterprises where the publicans, in return for receiving financial assistance from a brewery, were obliged to sell only that companies products. Another form of the tied hose saw the brewery as owners of the pub and the landlord as a rent-paying tenant. Few pubs were directly managed by a brewery, apart from a few noticeable exceptions such as the 'improved public house' and the state managed pubs of the 'Carlisle scheme.' What emerges at the end of this assessment is a picture of the brewing industry which was intensely



patriarchal, conservative and insular, one in which little attention was given to the actual selling of beer. Why did such attitudes exist? According to Mutch they originated in the board room. It is here, at the level of senior management, that the conceptual parameters, the company's ethos, was formulated and within which decisions were made. What one finds when assessing the boards of all the major breweries in 1951 is a fairly consistent picture; they were small (averaging 5 members), usually made up of members of the same family, many were titled, many held a military rank, and 97% were male. Therefore, the brewing industry, possibly more than another sector of the British economy, was essentially traditional, slow and cautious with strong elements of personal control. It was only in the late 1950s that the senior management of some brewers began to change,

particularly with the appointment of executive directors. They would have a gradual impact upon the companies world view at a period when the world itself was changing.

It is to a description of this changing conditions that Mutch then turns. This is necessary not only because the brewing industry was not hermetically sealed, but also because notions regarding retailing and management were developing as well. The author emphasises the increasing importance of mobility between the 1950s and 1990s. The ability to travel greater distances meant the consumer was no longer restricted to one or two 'locals.' Greater choice brought with it higher expectations and these could be better met thanks to easier transport. Brewers also benefited, able to supply their pubs with drink and, more increasingly, food with less difficulty. Furthermore, area managers could inspect properties on a more regular basis and the imposition of company branding intensified. During this period the nature of the consumer also changed; women and younger people became more frequent visitors to the public house. A further important shift occurred with the development of supermarkets and the retailing of alcohol to be consumed at home. Finally, the arrival of new methods of advertising from the United States meant that brewers were able to promote their products and outlets in novel ways. The market place, therefore, was changing and the brewers needed to adapt accordingly, characterised by Mutch as a shift from primarily beer producers to beer retailers.

The author states that some of the major brewers believed that such a shift neces-

sitated a change in the organizational structure of their companies, particularly an increase in the importance of pub and regional managers. He quotes Colonel Bill Whitbread who, in his company's annual report of 1955, wrote that:

Under present trading conditions, the retailer receives so large a proportion of the profit from the commodities sold in the public house that there is bound to be a trend by brewery companies to put more and more houses under management. Although we are well aware of the value of the tenant through his human relationship with his customers, it is becoming more and more necessary for the brewer responsible for the upkeep of the houses to have the benefit of retail profit. Our companies which manage public houses and our wine and spirit companies have shown substantial increases of profit. Personally I deplore the trend towards management of public houses but it is the result of changing trading conditions of which the retail trade organisations should take notice.

The shift from tenants to managers was a tentative one and did not occur in vast numbers. However, Mutch sees it as denoting an important change in the brewers' outlook and emphasises that it was not just confined to a few companies. This move did not happen without resistance from within and outside the industry. Many landlords felt their future livelihoods threatened, often rightly so, and organizations such as CAMRA believed that both the traditional British pub and real ale were in real danger of extinction.

The progress towards a more retail minded outlook took another twist at the beginning of the 1970s with the acquisition of Watneys by Grand Metropolitan and Courage by Imperial Tobacco. Both buyers had extensive experience in retailing and, not surprisingly, they

applied this knowledge to their new brewing arms, particularly with regards to marketing. The other four of what became known as the 'Big Six' were not blind to this development, but their responses were far from decisive; the force of tradition remained strong within the board room. The pressure for change, however, was a strong one as the raft of mergers which had created the 'nationals' had not resulted in the anticipated efficiency gains. Consequently, major investors began to insist on the employment of senior personnel from outside the industry. A prime example was the appointment of Anthony Simmonds-Gooding as Whitbread's first marketing director. Formerly at Unilever, he played a key role in the success of Heineken. The other brewers mirrored Whitbread - senior managers and directors were increased employed from outside the brewing sector. Concurrently, the number of family members in such positions declined with, for example, only a single Whitbread in place in 1990. In fact the industry was following a general trend in the British economy towards retail (by 1990 fifteen of the top 100 companies were from this sector).

Mutch's study ends in 1990, the year in which the Beer Orders came into effect. This piece of legislation is often seen as a watershed in the history of the British brewing industry. While not denying that they had important ramifications, the author contends that change was already underway; the Beer Orders just increased the speed at which this occurred. He finishes with a brief résumé of the industry post 1990 - the rise of the 'pubco' and the branded outlet, the increasing importance of food sales and, in some cases, the flight from brewing altogether.

What emerges from *Strategic and Organizational Change* is a detailed understanding of how individuals and companies acted and reacted to opportunities and constraints, both internal and external to the brewing industry. Drawing upon a wide range of resources he provides a picture of how the major brewers shifted from perceiving themselves as beer producers to beer retailers, a

change that brought with it much significant structural reorganization. Mutch's book offers a fascinating insight into a topic which has received scant attention and should be required reading for those wanting to better understand the post-war brewing industry.

Tim Holt