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BARCLAY PERKINS AND THE BLUE NILE BREWERY 1951-70

KEN THOMAS

Southwark and the Sudan

Barclay Perkins & Co. began life as a partnership in 1781, taking over the Anchor Brewery in Southwark formerly belonging to the Thrale family. At that time it was commonly assumed to be the largest brewery in the world and cost Robert Barclay and John Perkins the then enormous sum of £135,000.[1] Apart from their domestic trade, Barclay Perkins were also active in the Baltic market and it is historical legend that their Imperial Russian Stout was brewed specially for the court of Catherine the Great. In the nineteenth century they became one of London's leading porter-producing breweries and acquired a reputation for sound management and innovation.[2] As early as 1921 they built a new lager brewhouse on their Southwark site thus anticipating a trend amongst consumers long before their London rivals.

They also built up a large export trade in bottled beer. By 1936 Barclay Perkins could boast an extensive trade across the Empire as well as a buoyant 'ships stores' market in draught lager. This latter consisted of supplying beer to almost all the leading passenger shipping lines of the day: Cunard, John Holt, Canadian Pacific Steamships, Booth Steamship Co. and the Blue Star Line. In the 1930s the directors welcomed the Ottawa imperial preference arrangements as these meant the firm could now undercut Japanese brewers in British Far Eastern markets.[3] However, imperial preference could not help Barclay Perkins in their commercial rivalry with locally owned breweries in the colonies that 'produce quite a drinkable beer and are generally protected as regards duties'.[4]

Barclay Perkins were to lose their independence in 1955 when they merged with their close Southwark neighbours Courage & Co. The term 'merger' is a little ambivalent to describe the events because whereas Barclay Perkins' employees preferred to view them as a merger, their Courage counterparts were more inclined to see them as a 'takeover'. The uncomfortable truth for Barclay Perkins was that, by the end of the Second World War, they had begun to stagnate and to lose their way. By the early 1950s their financial performance, as Table 1 illustrates, must have been a cause for concern for the directors. At first glance the figures may not seem that disappointing, but they fared badly when compared with the financial results of their neighbours Courage & Co. In the whole period covered by Table 1, 1939-55, the ordinary shareholders of Courage & Co. never received an annual dividend of less than 14%. In 1951 and 1952 they received a 20% dividend, and then in 1953 and 1954 the figure rose to an impressive 22.5%.[5] In comparison the ordinary shareholders of Barclay Perkins almost invariably received dividends of just 6%.

It was the Barclay Perkins' directors who initially sought the merger in late 1954, although Courage were perhaps a little sceptical about their near neighbours. R.O. 'Oliver' Steel, then a Courage director, recalls:

> Yes, we respected Barclay's history but we were right to doubt their current ability. For example, talking with F E Y Bevan about mechanisation I was told that there was a board minute of 1926, I think, which precluded the introduction of alternating current to replace direct current. Thus it was impossible to do what I asked in particular, without affecting some other aspect. I suggested a further minute![6]

Whatever diplomatic complexion was put on the process, the new firm of Courage & Barclay Ltd. was

	Capital Employed* (£)	Gross Profit before Tax (£)	Yield** (%)	Dividend*** (%)
1939	5,220,000	307,064	5.8	6
1940	5,291,000	351,828	6.6	4
1941	5,161,000	321,592	6.2	3.5
1942	-	-	-	5
1943	-	-	-	6
1944	5,232,000	528,877	11.1	6
1945	5,222,500	589,448	11.2	6
1946	5,108,500	620,937	12.2	6
1947	5,085,000	542,431	10.6	6
1948	4,885,000	706,891	14.4	6
1949	6,211,000	550,120	8.8	6
1950	6,177,000	603,291	9.7	6
1951	6,154,000	527,947	8.6	6
1952	6,283,000	543,317	8.6	6
1953	6,212,000	547,508	8.8	6
1954	5,165,000	707,287	13.6	8
1955	5,163,000	603,107	11.7	10

*Table 1. Financial performance of Barclay Perkins & Co, 1939-55. * Issued share capital plus debenture stock. ** Gross profit as a percentage of capital employed. *** On ordinary shares. Source: Courage, AI/C/1, Barclay Perkins & Co Annual Reports.*

formed in 1955 with Courage being weighted as the senior partners in the venture. The two firms ran side by side until 1957 when a single management structure took over the running of the larger company.[7]

The 'Khartoum Project'

In September 1898 the fate of the Sudan was effectively sealed when General Horatio Herbert Kitchener, commanding the Egyptian army, defeated Abdullah al Taashi at the battle of Omdurman. Four months later the Sudan was organised as an Anglo-Egyptian 'condominium', i.e. half Egyptian-ruled and half-British. It has been suggested that there was some sleight of hand in this arrangement. In Egypt the Khedive was the nominal ruler, and it was he who nominally appointed the Sudan's governor-general. The sleight of hand lay in the fact that the Khedive was little more than a British puppet, and that the governor-general of the Sudan was always British, as indeed was most of his administration. As one commentator has remarked:

> The British habit of recruiting sportsmen from Oxford and Cambridge to run its administrative service led to the Sudan becoming known as the land where blacks were ruled by blues.[8]

In reality the British ruled both Egypt and the Sudan while publicly refusing to admit to ruling either. After 'fifty seven years of effective control'[9] the condominium arrangement finally ended and the Sudan became independent in January 1956. Geographically the Sudan was then the largest country in Africa, roughly one quarter the size of Europe, and by the early 1950s had a population of about 8,500,000 people. Two thirds of the population lived in the north of this vast country, and were predominantly Muslim Arabs.

The Sudanese government had been in favour of a brewery being built long before the end of the Second World War when changes to the Liquor Licence Ordinance made beer and light wines legal drinks for the Sudanese population. Indeed, by the end of the war, there was some irritation in the Northern Sudan Advisory Council that no brewery project had been put forward.[10] It was not until 1950 that any brewer showed an interest in building a brewery in the Sudan and then, coincidentally, two appeared almost simultaneously. The first to make enquiries were brothers Anthony and Edwin Tabona, brewers on their home island of Malta and connected with the Burton-on-Trent firm of Ind Coope & Allsopp. A.W. (Anthony) Disney, the director of the Department of Economics and Trade, gave the Tabonas the option to come forward with a workable scheme. No sooner had they left Khartoum to start planning than John Loughnan, export and ships' stores manager of Barclay Perkins, arrived. Loughnan was on his way back to London after one of his regular tours of Barclay Perkins' Far Eastern agents and he too made enquiries about building a new brewery in the Sudan. Disney told him he was 48 hours too late and that the Sudanese government had committed herself to the Tabonas.

Loughnan, then 60, was a seasoned imperial businessman with over 30 years' experience in the export trade with Barclay Perkins. The company claimed proudly that he 'was known to all our customers overseas'.[11] He was undeterred by Disney's reply and could see the potential of the Sudanese beer market. The predominance of Islam was not then seen as a barrier to the sale of alcoholic products, and indeed the Sudanese liking for beer was well known and appreciated.[12] At this time all of Sudan's beer was imported in bottles and Loughnan saw that a Sudanese-produced beer was likely to undercut this imported competition and reap a large share of a growing market. On his return to London Loughnan tracked down Edwin Tabona, who happened to be at an exhibition at Olympia, and the two men agreed to co-operate over the Sudanese project.[13] The arrangement was that Barclay Perkins would take over the concession to build the brewery and, in return, the Tabonas would receive a cash sum, an allocation of shares in the new company, and a seat on the board. This was ratified by a special meeting of the Barclay Perkins' board in Southwark shortly before Christmas 1950. They also decided that a survey party should visit the Sudan in January 1951. The party was to be led by Loughnan and included Edwin Tabona, director F.E.Y. Bevan and A.P. Wibroe, a Danish brewery construction consultant.[14]

The survey party had a wide brief and was asked to report on such matters as a suitable name for the new company, Sudanese beer duties, the agency selling system, and the desirability of allocating shares to the Sudanese. There was a prevailing feeling in the boardroom that such an allocation should be kept to a 30% ceiling, and that perhaps one or two influential Sudanese of local standing might be appointed to the board.[15] Favourable reports had already been received from the Overseas Development Corporation, Price Waterhouse, and Barclays' Bank, and permission was being sought from the Bank of England to remit the necessary funds abroad.[16] In all the haste, matters of a more political consideration were not completely overlooked and the directors of Barclay Perkins agreed that 'the risk attaching to political conditions now existing in the Sudan is one which must be accepted by the board'.[17]

It must be said that, in early 1951, these political considerations did not loom large in the directors' thinking, if indeed they loomed at all. Colonial development was very much the mood of the times in Britain, and the contemporary Anglo-Egyptian negotiations on the future of the Sudan did not give any cause for immediate concern.[18] That the Sudan would become independent, and possibly separate from Egypt, was accepted. Although the former condominium would be under new African rulers, it was assumed it would continue to provide commercial opportunities for British firms. And, quite naturally, there was no appreciation of what route the Sudan might take when independent.

The survey party left Southwark at the end of January 1951 and sent a telegram to the Barclay Perkins' board on 7 February. The cable arrived while a board meeting was in progress the following day and reported satisfaction on all the major points. It also requested an urgent decision in favour of what had become known as the 'Khartoum Project':

> All major points show satisfactory progress. Recommend project be proceeded with. Bowyer agrees. Please reply promptly as decision urgent. Bevan.[19]

The directors cabled an immediate reply:

> Bank of England permission to remit necessary funds being applied for. Some doubt and delay in obtaining this. Full authority granted to commit company subject only to such permission being obtained. Proceed with this reservation. Toop.[20]

Less than two months after Loughnan had arrived in Khartoum, Barclay Perkins embarked on a major imperial project.

The Khartoum Project quickly built up its own momentum and there were a number of interwoven reasons for the haste, or decisiveness, of the Barclay Perkins' directors. The first was commercial optimism. There was little doubt in the directors' minds that the Blue Nile Brewery Co., as the company was to be called, had the potential to be a profitable enterprise. Financial estimates were prepared by Loughnan, Edwin Tabona and W.S. Toop, showing a profit forecast of £6 18 3d on every barrel brewed in the Sudan which, at an anticipated production of 24,000 barrels per annum would yield a pre-tax profit of £165,000. The authors of this report could hardly believe their own figures it seems and Toop reported to the board:

> That although every care had been taken to assess conservatively all the expenses to be incurred, these figures must be regarded as extremely unlikely ever to be achieved. The magnitude, however, indicated the potentialities of the project.[21]

Certainly there was caution among the directors, but there was also money to be made in the Sudan. When compared to Barclay Perkins' disappointing results for 1949, 1950 and 1951 (see Table 1), these profit forecasts must have fired the imagination of the directors who were under real pressure domestically. Coupled with this commercial optimism, which in itself must have created a momentum for the project, was the personal, almost emotional commitment of some of the personalities involved. Two in particular stand out; Loughnan and Disney, the former being the real driving force behind Barclay Perkins' expansion into the Sudan.[22]

An important ally for Loughnan appeared in the formative stages of the Khartoum Project, but he did not come from within the company itself. In April 1951 the Barclay Perkins' board received a surprising letter from Anthony Disney, the director of the Sudan's Department of Economics and Trade, asking for the post of managing director of the Blue Nile Brewery Co.[23] Disney was a senior colonial administrator with 27 years' experience of working in the Sudan and so seemed ideally suited to be Barclay Perkins' man on the ground in Khartoum. Within a fortnight it was agreed that Disney be appointed managing director and that he would take up his post before August 1952, with any loss of government pension being reimbursed by Barclay Perkins.[24] He was well connected and would prove to be an important asset in Khartoum. His appointment could only have increased the growing momentum for the project.

It must be remembered that in 1955 Barclay Perkins were taken over by Courage & Co. and, once this had happened, Loughnan and Disney found a stalwart ally in Courage's managing director, Hereward 'HSS' Swallow. In 1955 Swallow was an archetypal 'captain of industry', and his early career gives an insight into his dynamic character. He was the youngest person to attain the rank of brigadier during the Second World War and, after the war, he joined Courage & Co. in October 1945 as a salaried foreman. Within three months he had risen to assistant general manager, and had become a director by 1954. In January 1955 he became managing director of Courage & Co., acquired an O.B.E., and it was he who masterminded not only the acquisition of Barclay Perkins, but also the continued growth of the Courage group until well into the 1960s.

> He didn't suffer fools gladly. I think even the Courage family respected him, but he was always viewed as being firm but fair. I think he was disappointed not to get the 'dub on the shoulder'.[25]

Swallow was, therefore, a much admired and dynamic businessman. He was also a passionate advocate of closer business links with the Empire, and particularly Africa. As late as 1964 he emphasised the benefit of the company's links with the continent and saw only a 'tremendous future' and a 'happy association' as the outcome.[26] When Loughnan died in 1956, and Disney retired as managing director of the Blue Nile Brewery Co. in 1957 (to take up a post with Courage & Barclay in Southwark), it was Swallow who continued to carry the torch for the company's involvement in the Sudan, and other parts of Africa. Swallow provided a significant continuity of the drive and passion for the project initially shown by Loughnan and Disney, and he kept the momentum rolling. The dynamism and drive of these three imperial businessmen were vital requirements, particularly when Barclay Perkins attempted to put their plans into practice in the Sudan.

The brewery on the Blue Nile

Problems with the Khartoum Project set in almost immediately. The first was the spiralling cost and this was coupled with the interminable delays that seemed to arise at almost every juncture. In December 1951 the Barclay Perkins' directors decreed that the total financial commitment of the firm should not exceed £250,000 and so it was with some alarm that, as early as June 1952, they found that £150,000 had already been spent.[28] Two directors, Major C.A.C. Perkins and L.E.D. Bevan, were asked to assess the situation and report on the future financing of the Khartoum Project. A partner seemed the obvious answer to Perkins and Bevan and first Tuborg, the Danish brewers, and then Heineken of Amsterdam were approached. The Dutch brewery expressed, in principle, its willingness to cooperate.[29] In principle such a partnership in the future was fine but, in the shorter term, Barclay Perkins' costs were rising alarmingly. In March 1953 Loughnan arranged an overdraft facility with Barclays Bank in Khartoum. This circumnavigated any Bank of England objection to the company exceeding its agreed ceiling of £270,000 that could be exported from Britain. By the summer of 1954 this overdraft had risen to £E250,000.[30]

The increase in costs was due mainly to problems with the construction of the new brewery itself. The logistics of building a brand new plant on a 25-acre site, with its own railway siding and well, were complex. There were five different languages used on site, and the temperature rarely dropped below 46°C (115°F) in the shade.[31] After a false start, alterations had to be made to the plans, and disputes with the two main contractors, British Steel Reinforcement and Altiniers, led to delays and further cost. Brewing of any beer, and consequent profits, seemed a long way off. 1954 proved to be a frustrating year for the Barclay Perkins' board and their increasing sense of alarm made them press Disney in Khartoum to get local Sudanese financial participation 'in substantial amounts' before the end of the year.[32] The latest financial estimates put before the board showed that the cost of the Khartoum Project was now expected to reach £750,000.[33]

To add to the directors' woes came the bad news that Heineken were not, after all, keen to enter into any sort of partnership with Barclay Perkins in the Sudan. Heineken had always underlined that they were interested 'in principle' in the project, but this never resulted in any actual cash being received from the Dutch brewery. By the summer of 1955 Heineken finally told the Barclay Perkins' directors that they were withdrawing from the scheme. They were understandably cautious about the high capital cost of the brewery's construction, coupled with the lack of any locally invested capital. In terms of attracting local capital, Barclay Perkins did have one success. The Pyramides Brewery in Cairo agreed to invest £E50,000 in the Blue Nile Brewery, and by December 1953 they had given Barclay Perkins an initial £E20,000 on account of future shares and a seat on the board for their chairman, Wittert von Houghlan.[34] This was encouraging but must be put in context - by April 1954 Barclay Perkins had already exported £470,000 from Britain. They then asked the Bank of England for permission to remit a further £200,000 to the Sudan. By this time the Khartoum Project was a little over three years old and not a drop of beer had been brewed.

By the autumn of 1955, after repeated delays in the commencement of brewing, the directors of Barclay Perkins were in a state of high agitation. First the brewery was flooded, then it became contaminated and, when brewing finally started on 22 September 1955, defects in the bottling plant further delayed the first sales. Eventually, on 15 December 1955, almost exactly five long years since Loughnan originally arrived in Khartoum, the first bottles of the Blue Nile Brewery's 'Camel' brand went on sale. It was with some relief that the beer seemed to be an instant success with the thirsty Sudanese and this news was welcomed by the directors in faraway Southwark.[35] However, while Barclay Perkins had been going about its business, the Sudan had also been making progress of a more political nature. In 1954 the Sudan had become 'self-governing' and separate from Egypt, and on 14 December 1955, the day before Camel beer first went on sale, both houses of the Sudan parliament passed the formal legislation required for independence. On 1 January 1956 it was to become an independent republic. Nor would the Sudan be joining the British Commonwealth.

There were also other nagging problems that seemed to dog the Khartoum Project, not the least being disputes between management personalities. Throughout late 1953 and early 1954 there was constant friction between the board and the Danish brewery construction consultant, A.P. Wibroe. He had only visited the site once and he shouldered most of the blame for the delays in the building of the brewery.[36] A head brewer had been appointed in May 1952, but increasingly he seemed to be the wrong man for the job. He had previously worked in the West Indies and his arrival was later criticised by Disney as 'a disastrous appointment of a bad man'[37] and 'the least likeable character with whom it has ever been my misfortune to be associated'.[38] A Scotsman called Cleghorn was appointed resident engineer in November 1952, but even his enthusiasm and engineering ability could not speed up the rate of construction, which was variously described as erratic and of poor quality.

Then, tragically, John Loughnan died in a car accident in Khartoum in March 1956, and the company instinctively knew that his was a great loss. Shortly after the accident Toop, company secretary, commented that:

> It is particularly sad that he should have died just now. He had so gallantly volunteered to carry on beyond the normal retirement age to help bring his cherished project in the Sudan to fruition.[39]

The catastrophic death of Loughnan not only robbed Barclay Perkins of their motivating force behind the whole project, but also coincided with a distinct cooling of relations between London and Khartoum. In January 1956, W.S. Toop in Southwark sent a series of letters to Disney in Khartoum. They asked detailed questions about all aspects of the operation - staffing, stocks, suppliers, sales, and accounting procedures - and were quite rightly seen by Disney as both a veiled criticism of local management, as well as an attempt to try to control the project from London. Disney's ill-tempered reply showed that the scheme was on the verge of a management breakdown:

> I realise that it is not always easy for you to appreciate our difficulties. But the first thing to be learnt about 'darkest Africa' is that nothing ever develops according to an expected pattern. I hope this lesson may be in the process of being learnt by all at your end![40]

Within a week of Disney sending this letter, Loughnan was dead and this was to send a shock wave through the company. The response was immediate, and it came from Swallow. He reasoned that day to day control was clearly impossible from London, and he ordered that a management committee be established in Khartoum with wide authority to run the business - subject only to ultimate control from London. He warned:

> Unless urgent steps are taken to improve the staff position and method of control it would seem that we shall be heading for a breakdown and failure to make a proper return on this substantial investment.[41]

Apart from rising costs, delays in construction and management squabbling, there was a further distraction underlying the whole Khartoum Project for Barclay Perkins: the merger with Courage & Co. in 1955. The talks about a possible merger took place between the two firms from December 1954 and it was inevitable that, to some extent, Barclay Perkins took their eye off the ball in the Sudan. The directors at Courage, and in particular Swallow, saw the Blue Nile Brewery as one of the chief attractions of Barclay Perkins, at least in financial terms. Oliver Steel remembers 'we thought that Khartoum had contributed to Barclay Perkins' shares standing at 18 shillings'.[42] However, the Courage directors really had to put a brave face on it. The Blue Nile Brewery had cost nearly £750,000 and was soon to be situated in an independent African republic that was no longer controlled by Britain.

	Barrels sold
1956-57	28,739
1957-58	24,482
1958-59	28,664
1959-60	24,454
1960-61	28,002
1961-62	32,352
1962-63	41,789
1963-64	42,757
1964-65	44,880
1965-66	48,776
1966-67	44,065
1967-68	46,610

Table 2: Blue Nile Brewery Co Sales of Beer, 1956-68. Source: LMA 2305/2/22/1-35, Blue Nile Brewery Statistics File.

Profits and politics, 1956-70

Once the Blue Nile Brewery began brewing in December 1955, five long years after Loughnan had originally suggested the project, all the optimism and enthusiasm finally began to pay off. Led by the dynamic Swallow, the newly merged firm of Courage & Barclay Ltd. were determined that the Khartoum brewery should be a success. Table 2 shows the increasing number of barrels of beer sold by the Blue Nile Brewery as its Camel brand became established in the Sudan market.

By 1959 the Blue Nile Brewery was selling nearly 25,000 barrels of beer a year in the Sudan, with the gross profit for that year of £162,055 (see Table 3) almost exactly mirroring the original financial estimates of the Barclay Perkins' board in 1952. However, underlying this apparent success lay the fact that, in 1952, the employed capital was not seen as exceeding £250,000, whereas by 1959 this had risen threefold to £750,000.

The firm worked hard for its success. In February 1955 Stanley Gates, chairman of Barclay Perkins, visited the Sudan and met the Prime Minister, Ismail el Azhari, at a dinner party at Disney's home. Here he renegotiated the level of beer duty levied on the Blue Nile Brewery's beer by the Sudanese government and Disney recalls 'this visit was of the greatest importance and Gates could not have played his part to better effect'.[43] This meant that a standard two-pint bottle of Camel beer retailed for 2/8d, compared with 3/6d for imported beers.[44] And by January 1957 Courage & Barclay had to some extent succeeded in attracting local capital into the Blue Nile Brewery, as Table 4 shows.

In June 1956 the overdraft with Barclays Bank in Khartoum was reduced from £E250,000 to £E150,000, and in the following August the Blue Nile Brewery Workers' Union was established, by the management, and it was reported that monthly committee meetings 'made for friendly relations'.[45] In the same year the board of the Blue Nile Brewery welcomed its first Sudanese member - Abdullah el Shafie who was described as a Sudanese businessman, a retired official and an MBE.[46] And in March 1957 Courage & Barclay director, Colonel T.B. (Brian) Bunting, proclaimed to his fellow directors after a visit to the Sudan that he 'felt sure that the company now had a very valuable asset in Khartoum'.[47]

However, even as Courage & Barclay made a commercial success of its brewery, political events in the Sudan were moving in a direction that must have been unimaginable to the Barclay Perkins' board back in 1951. And, even as the Blue Nile Brewery was selling its first bottles of Camel beer in December 1955, a sort of 'countdown' had begun. Probably no one, whether European or African, realised it yet but the British had passed the point where they could simply rule the Sudan without Sudanese consent. Also, in their turn, Courage & Barclay would come to realise that they could not run their commercial operation in the Sudan without the consent of the Sudanese government.

The first sign that all was not well was the disruption to trade caused by the Suez Crisis of November 1956. However, output was only slightly affected and Disney suggests that the ingenuity of the brewery management succeeded in getting round any problems that arose.[48] Sterner tests were to follow however. In February 1957 Disney finally left the Sudan after a lifetime spent working in its administrative service, and latterly at the

	Gross Profit (£S)	Capital Employed (£S)	Dividend (%)
1956	17,118	750,000	0
1957	78,500	750,000	5
1958	138,077	750,000	15
1959	162,755	750,000	15

Table 3. Trading Performance of the Blue Nile Brewery Co, 1956-59. Source: LMA 2305/26/74/5, Blue Nile Brewery Annual Reports.

	Investment (£S)	Percentage
Barclay Perkins	437,750	64.4
Pyramides	50,000	7.3
E. & A. Tabona	10,000	1.5
A.W. Disney	500	0.1
A.P. Wibroe	4,000	0.6
Local Sudanese		

Table 4. Share ownership in the Blue Nile Brewery Co., January 1957. Source: LMA 2305/26/74/5, Blue Nile Brewery Annual Report, 1957.

Blue Nile Brewery, to take up a post in Southwark with Courage & Barclay. He was replaced as managing director by E.M. (Hugo) Friend. As Friend took up his post in Khartoum, the political situation in the Sudan became ever more volatile and unpredictable. In February and March 1958 a series of letters from Friend to Brian Bunting in Southwark explained the deteriorating situation. First he had taken out insurance on the brewery against riot, reporting that Nasser's example in Egypt was a source of some concern.[49] Then he reported that a new minister in the Sudanese government was purported to have communist leanings.[50] Perhaps in desperation, an army *coup d'etat* in November 1958 was welcomed by Friend and he enthusiastically wrote to Bunting that the new military government were 'tackling the major problems energetically. The immediate tone here is cheerful and optimistic and conditions continue to be normal'.[51]

Friend's joy was to be short-lived however. Within a month of the new army Revolution Government seizing power came new fears that the management of the Blue Nile Brewery might be 'Sudanized' i.e. the replacement of European staff by Sudanese. Friend had been corresponding with the new government's Assistant Commissioner for Labour, Tewfik, who was starting to insist that more Sudanese should be employed in foreign-owned firms.[52] Then there were further worries about the probable Sudanization of the board of directors. 'I expect it to come' Friend reported to Bunting just before Christmas 1958 'but how far they will take it I cannot say'.[53]

Courage & Barclay were rapidly discovering that the laissez faire conditions of the condominium era had disappeared, perhaps forever. Still they remained optimistic and still they worked hard to protect their investment. In early 1960 Bunting courted officials of the Sudanese government who were on a diplomatic visit to London and, in Khartoum, Friend kept as cheerful as was possible. In June 1960 he wrote to Bunting, 'the general expansion in industry here at the moment is terrific, every day seems to bring new projects'.[54] However, the new government's policy of Sudanization was not going to go away and, in February 1961, Friend wrote to *The Sudan Daily* pointing out that out of 250 staff employed at the Blue Nile Brewery, only five were European. Courage Barclay & Simonds, as they were now called after the acquisition of H. & G. Simonds in 1960, kept up a sort of charm offensive aimed at the Sudanese rulers. In December 1963 A.E. Limongelli, the new acting managing director of the Blue Nile Brewery and former assistant head brewer, met Lewa Mohd Nasr Osman, the Sudan's Minister for Information and Labour, who visited the brewery as part of a nationwide tour of factories. In a speech of welcome Limongelli emphasised the spirit of co-operation between both the workers and the senior staff, and between the company and the employees' union.[55]

The charm offensive continued. The staff of Courage Barclay & Simonds read a very positive report on the Blue Nile Brewery in their house magazine for winter 1963:

The brewery at Khartoum frequently has the pleasure of receiving distinguished visitors, but they were particularly pleased to be able to welcome the Minister of Commerce, Industry and Supply, Lewa el Magboul el Amin el Haq. The Sudan has made great progress over the last few years ... much of this is due to the able direction of the Government who have never hesitated to encourage the introduction of foreign capital by providing stable conditions and sound administration.[56]

Then, in the following year, and after a grand tour of Africa, Swallow rather lectured the staff on the continued benefits of Courage Barclay & Simonds' association with the Sudan:

In Khartoum our interest is the Blue Nile Brewery, which is one of the largest businesses in the Sudan. The European staff is 5 in number, and every effort is made to encourage and assist in the training of Sudanese staff. The company employs 342 people and ... it contributes over £1 million to the exchequer of the Sudanese government and has a happy association with the government and other authorities in the country.

Swallow added, perhaps minded that his words would also be read in the Sudan, that Courage Barclay & Simonds 'is very proud to make such a contribution in its development programme'. Swallow then went out of his way to assure his readership that there was a great deal of misconception regarding the role of resident European businessmen in Africa:

Theorists - many with extremely limited personal knowledge of conditions - freely expound their views, but the views of those British ... who live in these countries and have contributed so much to their progress and development, are frequently written off as prejudiced or purely of self-interest.[57]

According to Swallow, developing countries like the Sudan needed British companies to boost their economies as much as British firms needed commercial opportunities in those same developing countries. To his mind, it was a mutually advantageous relationship and was one that would naturally provide a 'tremendous future' for all parties concerned.

As this charm offensive, or public relations exercise, continued on a sort of diplomatic level, the Blue Nile Brewery continued its commercial operation. In May 1965 the brewery was refitted with a new boiler and new lager conditioning tanks, and there were plans to extend the bottling plant.[58] In the following year output peaked with the brewery producing 48,776 barrels (see Table 2). However, output figures alone can be misleading and the bald fact was that the profit margin on each barrel sold by Blue Nile Brewery was falling steadily as the 1960s progressed:

	Gross Profit (£S)	Barrels sold	Margin per barrel (£S)
1963-64	253,614	42,757	£5 18s 6d
1964-65	230,646	44,880	£5 2s 6d
1965-66	230,000	48,776	£4 14s 2d
1966-67	175,201	44,065	£3 19s 5d
1967-68	193,589	46,610	£4 3s 0d

Table 5. Profitability of the Blue Nile Brewery, 1964-68. Source: LMA 2305/12/1-2, Courage (Export) Ltd Directors Minutes, 1962-68; LMA 2305/2/22/1-35, Blue Nile Brewery Statistics File.

The directors blamed rising operational costs in the Sudan,[59] and pointed to the repeated increases in beer excise duty by the Sudan government, along with the effects of the 1967 Six Day War in the Middle East. By the time of the Courage Barclay & Simonds' Annual General Meeting in January 1968, the long-held optimism of the directors for their Khartoum Project was beginning to wear thin:

> Overseas, our interests have progressed well apart from in the Sudan where trading conditions, primarily as a result of the Middle East crisis, have been exceedingly difficult and the trade of the Blue Nile Brewery Ltd, in common with other industry in the Sudan generally, has been adversely affected. A further increase in the beer duty has aggravated the situation. As to the future it seems that trading in the Sudan may be depressed for some time.[60]

As the Sudan continued on its post-colonial road, control over the destiny of the Blue Nile Brewery was, at the same time, slipping from the hands of the Courage Barclay & Simonds' directors in London. As early as June 1965 Friend, in a highly agitated state, had written to Bunting in Southwark about the spectre of nationalisation that had appeared. Friend quoted from a speech by Mohammed Ahmad Mahgoub, then Sudan's Prime Minister, who had warned 'our aim will be to liberate the economy from foreign domination'.[61] Eventually, in 1970, the Sudanese rulers passed a Sequestration Act and a nationalisation programme was quickly implemented on 31 May 1970. Banks, insurance companies and manufacturers found their premises taken over by Sudanese officials, and foreign staff were told 'that though they may stay 'on leave' in company houses, they will be expected to pack up and leave within the next few weeks'.[62] The Blue Nile Brewery was summarily nationalised, initially without compensation, and the era when British firms could operate in the Sudan also ended abruptly.[63]

Looking back some 60 years later the initial decision by Barclay Perkins to expand into the Sudan may seem, at first glance, to be incredible. However, the history of post-colonial Africa, with its inherent political chaos, economic dislocation and natural disasters was not only unknown, but also quite unimaginable in 1951. The directors believed that there was money to be made in the Sudan, and that Sudanese independence would not jeopardise their commercial operation. Indeed Swallow sincerely believed what was good for the goose was also good for the gander - both the company and the former colony would benefit from a mutually advantageous relationship. This was the mantra of colonial development put into practise. It was true that Sudan chose not to join the Commonwealth and the attendant system of imperial preferences but, after 67 years of condominium status, the fact was that her economy had become quite naturally linked to, and dependent upon, the British economy. There was, as far as Barclay Perkins was concerned, no reason to doubt that this dependence would not continue. They also saw no reason to doubt the continuation of a *laissez faire* approach to business in the former condominium, nor could they have anticipated the rapid rise of a nationalism that was sweeping through the entire African continent. Such changes were simply unknowable.

The study of Barclay Perkins, Courage & Barclay and, ultimately, Courage Barclay & Simonds and their Sudanese venture reveals several issues that help begin to build a picture of the era of decolonisation. The first, and for the brewery directors perhaps the most important, was that the Blue Nile Brewery was always seen as a strength rather than a weakness. It was an asset rather than a liability. The brewery increased its production steadily over the 14 years of its operation, and it must be assumed, in spite of the unavailability of complete financial records, that profits also increased proportionately. In turn the profitability of the Blue Nile Brewery strengthened the parent company in Southwark and by the 1960s Courage Barclay & Simonds was one of the so-called 'Big 6' of the domestic British brewing industry. Owning the brewery in Khartoum also had subtler, more psychological effects. It gave the firm an aura of 'importance' or 'grandeur', or certainly a feeling of sophistication when compared to their more parochial rivals who were as ever competing fiercely for a slice of the domestic market. In short, Courage Barclay & Simonds had an international dimension and this engendered a self-belief and confidence within the company, and a respect and regard from without.

The role of individual businessmen is also shown to be significant. Without John Loughnan, A.W. Disney or Hereward Swallow the Blue Nile Brewery would not have been built, nor would its operation have been so successful. It was not simply that these men were dynamic, flexible and utterly capable, although these qualities were no doubt essential, but more that they carried within them a belief that drove them forward. They believed passionately in the future of British business in the former Empire and, at the same time, they were completely confident that British business was essential to the economic health of the Sudan. It was a partnership, and any suggestion that the company was being exploitative in its dealings with the Sudanese would have been met with both irritation and disbelief. If manufacturing and trading companies like Courage Barclay & Simonds made profits in the Sudan, then the benefits would also extend to the Sudanese government and, ultimately, to the Sudanese people. This was *laissez faire* in practise. It is also interesting to note the absence of British government interest in the venture, apart from the initial concern of the Northern Sudan Advisory Council back in the 1940s. Perhaps part knowingly, and perhaps part unconsciously, Courage Barclay & Simonds were players in the post-colonial economic development of the Sudan.

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