

THE BREWING TRADE IN NORTH EAST ENGLAND, 1869-1939. PART II

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Chapter 3: Meeting the competitive challenge

Introduction

During the period 1870-90 the North East continued to be an attractive market for brewers from outside the region, and the very presence of (on the whole, the most successful) brewers from other areas served to sharpen competition within the region. Local brewers with ambitions to compete effectively and maintain their regional role were required to respond and look to strategies adopted by brewers elsewhere. With respect to market behaviour, this meant a policy of forward integration through the purchase of licensed houses, and internally it involved the strengthening of management to ensure that firms were better placed to secure improved products and marketing.

Outside penetration of the North East market

Methods

The leading Burton and Scottish brewers and the London porter producers were also joined in the North East market by Irish, Yorkshire and Norfolk brewers, South-Western cider makers, and some European producers. Table 18 indicates the degree to which outside brewers were represented. It is this that distinguishes the North East brewing trade from the important centres of Scotland and Burton: they were essentially exporters whilst the North East was a big importer.

The outside brewers consolidated their penetration of the regional market by using the methods adopted before 1870 of appointing locally-based brewers as agents, distributing beers through local wine and spirit merchants, setting up their own agency or network of travellers within the region, or utilising some combination of these methods. The first type of arrangement, a link-up between the local and

outside brewer with one acting as the agent for the other, involved the minimum capital cost for the outside brewer but raised questions about a potential clash of interests. The attraction of the second possible route for distribution was that by using a regionally-based retailer it could exploit an already well-developed network of wine and spirit merchants. Such firms had established reputations, prominent retail outlets and the necessary transport to ensure regular, often daily, deliveries.¹ The third method available was for a brewery to directly organise its own agency within the region, although this could take several forms. For example, the larger brewers tended to set up both storage and office facilities under a manager who would appoint travellers. Others appointed individuals as 'purchasing agents' who effectively acted as ale merchants.

The effectiveness of these latter 'agency' systems depended on the successful recruitment of representatives and their ability to intensify their firm's reputation in the region by increasing turnover in established territories and then gradually extending their trade over a wider area. At first, agents or travellers worked single-handedly, usually from Newcastle and often over a large area. As a brewery's trade increased, however, it recruited other travellers to concentrate on particular areas, but different brewers had different views as to the distances their travellers should cover and the degree of 'new ground' a traveller was expected to make.² It appears that both travellers and agents were paid on the basis of salary and commission, and it seems that the two essential qualifications for this representative work were honesty and familiarity with the local trade. Newspaper advertisements invariably demanded security of around £200 and always put great emphasis on the candidate's 'connection'. This is variously described as needing to be 'established', 'first-class', 'good and safe'.³ There was thus a strong preference for those already acting on someone else's behalf and who had ready-made contacts.

Brewing base	Number of brewers	
Edinburgh	31	
Alloa	8	
Other Scottish	<u>6</u>	45
Burton	14	
London	6	
Yorkshire	6	
Norwich	3	
Ireland	9	
Others	3	

Table 18: Brewers from Outside the Region represented in the North East 1870-1890. Source. *Christie's Newcastle and Gateshead Annual Directory* (1870); *Ward's Directory Comprehending the Towns of Newcastle, Gateshead, Sunderland* (1869-70 & 1877-78); *Ward's Directory Comprehending the Towns of Newcastle, Gateshead, North and South Shields, Jarrow, Sunderland* (1879-80, 1881-82, 1883-84); *Ward's Directory of Newcastle, Gateshead, North and South Shields, Jarrow, Sunderland* (1889-90); *Kelly's Post Office Directory of the County of Durham and the Principal Towns and Adjacent Places in Northumberland* (1873); *Kelly's Post Office Directory of Durham and Northumberland* (1879); *Kelly's Directory of Northumberland and Durham* (1890); *Slater's Royal National Commercial Directory of Cumberland, Durham, Northumberland, Westmoreland and the Cleveland District* (1877 & 1884); *Newcastle Daily Journal & Newcastle Daily Chronicle* 1870-1890.

The Extent of Penetration

Of the outside brewers, Bass was perhaps the most thorough in its penetration of the North East market. Nationally, by 1889 they had built up a network of stores and offices outside Burton which employed 141 clerks and 281 men. By 1890 the sales at their Newcastle agency totalled 1216,290 and at Stockton £101,562. The growth of Bass's business in the region is also indicated by the fact that their depot at

Newcastle's Trafalgar Goods Station handled 37,332 barrels in 1875-6 and 141,026 barrels in 1884-5.⁴

The success that some Burton and London brewers were having in marketing their products well away from their home base and thus creating a national market was instrumental in speeding the decline of the small local brewer. In 1884 one trade journal described the process whereby:

the larger brewers, and more especially the Burton and metropolis firms, have largely availed themselves of the agency of grocers and shopkeepers in nearly every town and village in the Kingdom, so that certain brands are now to be obtained in the most remote places, thus seriously interfering with the local brewers' trade, who, after making futile attempts to compete in quality and price with his monster competitors, at length gives up the struggle.⁵

The close proximity of the North East also made it an ideal area into which Scottish brewers could expand their sales. When the Thornbush Brewery at Inverness was put up for auction in 1875 it was advertised in the North East with the attached statement:

The brewery is situated immediately contiguous to the harbour which is most advantageous for shipping and a trade could be readily opened up with Newcastle and Sunderland. The ales and porters manufactured are most suitable for these markets and could be carried at very moderate charges by sailing vessels of this port.⁶

This illustrates two features of Scottish brewing's involvement with the North East at the time: its products had advantages over the North East's indigenous brews and sea links provided an effective route for moving the goods. Regular services ran from Scottish ports to those of the North East and some indication of the size and growth of the coastal trade is shown in Table 19. Although this is for but one port in the region and will include the output of other brewing areas, the heavy presence of Scottish brewers in the region and the established sea links are presumably reflected in the figures. In 1889, when three Edinburgh and one Leith brewer amalgamated to form the Edinburgh United Breweries Ltd., the prospectus specifically mentioned the large trade done by the companies in the North East and the agencies operating there. In 1885 Wm. Younger of Edinburgh earned 26.9% of annual turnover (£109,000) from the Newcastle market. By 1890 this had risen to 33.7% (£213,000) compared with a combined total for Edinburgh and Glasgow of 35.6% (£225,000).⁷

The increasing successful entry of outside brewers into the region's market intensified competition. Their high profile (for example, many agents regularly advertised in regional newspapers) and their extensive stores, often grouped to-

gether in railway company property, tended to reinforce the perceived threat to the local trade. Thus, when the Tyne Brewery was closed and put up for sale in 1881, the Newcastle Courant felt the blame lay with those brewers based outside the area, saying that the brewery business, like others, has felt the pressures of competition. A walk along the range of huge cellar warehouses to the west of Forth Banks may explain why large local breweries are declining as the small ones did.⁸ The penetration by Burton, Scottish and other firms was clearly influential in colouring the local brewers' perception of their competitive environment.

Year	Tons Imported
1882	6,118
1884	8,289
1886	8,038
1888	8,715
1890	15,708

Table 19. Ale and Porter Imports (Coastwise) to Tyne improvement commission quays, 1882-1890. Source. Tyne Improvement Commission Accounts, 1882-1890

Without any statistical support, Wilson says that the development of the tied house system proceeded steadily.¹¹ Giving evidence to the 1931 Royal Commission, F. Nicholson of Vaux was unable to say when the practice of brewers owning licensed houses began but 'it received a very great impetus in the late 1880s'.¹² A shortage of data prevents a full assessment of the timing and degree of brewers' control over retail outlets, both nationally and regionally, but what is known is that brewery ownership of licensed premises in the North East was underway by the early 1870s and in Durham City, for example, 17% of public houses were owned by brewers.¹³

One of the few pieces of comprehensive data available is a Parliamentary Return of 1892 detailing the ownership of 105,003 public houses.¹⁴ Table 20 is based on this return and shows the pattern of ownership to be one of extremes; whilst 98% of all owners have less than ten public houses and average little over one each, there are 76 owners with in excess of one hundred properties, at an average of 168.

The 1892 Return allowed Baxter to construct a table showing the ownership of licences for each county, an extract of which forms Table 21. This implies that by 1892 the extent of public house ownership in the North East counties did, at least to some extent, lag behind the rest of the country. This is certainly the case with that group of brewers with licensed estates in excess of 100 properties. Of the 76 such owners in Table 20, only one North East firm is included, and that is the Newcastle Breweries with 114, a total figure arrived at as a result of the recent amalgamation of five firms.

The tied trade

The Ownership of Licences

In terms of market conduct, much emphasis has been put on the growing quest by brewers for licensed property and in this respect the phrase 'the scramble for licensed property' recurs in the literature.⁹ This purchase of retail outlets is represented as a defensive ploy designed to protect sales in order to sustain levels of output commensurate with recently improved and extended production facilities; and also as being prompted by fears of falling consumption and the effects of stricter licensing. The timing of this process of tying in licensed property is not clear cut. In 1899 a Royal Commission reported that

the tied house system had developed rapidly in the last twenty years ... This is mainly the result of competition, and the desire of brewing firms to secure their existing trade, in houses which they own or have financed.¹⁰

Size group (no. owned)	Number of owners	Total number of houses owned in each size group
1-10	53,121	61,829
11-20	390	5,776
21-30	198	5,010
31-40	112	3,922
41-50	89	4,029
50-100	165	11,670
100+	54,151	105,003

Table 20. Ownership of Licensed Houses in England and Wales 1892. Source. Baxter, J. (1945) *The Organisation of the Brewing Industry*. Unpub. Ph.D Thesis, London University, Table 54.

Area	Average per owner of two or more	% of total owned by owners of two or more		1872 %	1880 %	1888 %
Durham	5.2	46.3	Premises with licensed victualler licence	16	22	25
Northumberland	4.4	43.3	Premises with beer house licence	5	6	7
England & Wales	6.3	53.8	All licensed premises	11	14	17

Table 21. Number of properties held by owners of two or more in 1892. Source. Baxter (1945) Table 57.

An analysis of licensing registers for Newcastle shows a marked but gradual increase in brewery ownership of public houses over a 16 year period (Table 22). There is certainly no speeding up of the process around 1880 which another study of the industry suggests took place.¹⁵ Why the North East should be behind other areas in the purchase of licensed property is difficult to explain given the sparsity of information. Perhaps there had indeed been a national trend of rapid take-off in activity after 1880 in which the North East did not participate or lost ground, but there appears to have been nothing in the distribution or ownership of licensed houses which made it difficult or unattractive for North East brewers to buy into at the same rate as in other parts of the country. Nor is there anything to suggest that brewers were less motivated than their counterparts elsewhere or that urban centres like Newcastle or Sunderland failed to offer brewers the prospect of premises in close proximity to one another and within delivery distance of the brewery.

It would seem to be the case that the licensed property market in the North East offered relatively easy entry, with the ownership pattern of Newcastle's licensed houses in 1880, for instance, being such that 12% were still owned by the licensee. This represented almost 100 sole proprietors who would, from time to time, put their houses up for sale or at least be open to offers from brewers. The only plausible explanation to support a 'delayed action' view of public house purchase in Newcastle and the North East must rest on the region's incidence of amalgamation and public flotation. The very act of merger concentrated the ownership of property overnight. In addition, incorporation and public issues of capital provided the funds required for large scale entry into the property market. In the North East, however, such events did not begin until 1890, and in most cases happened sometime later.¹⁶

Table 22. Percentage of the total number of licensed premises owned by Brewers in Newcastle, 1872-1888. Source. Newcastle Magistrates Court Publicans' Licences Registers Tyne & Wear Archives Service (TWAS) MG/Nc/9/1-2; Newcastle Magistrates Court Beer, Wine and Spirits Registers TWAS Mg/Nc/10/1.

What is clear from the available information is that some individual North East brewers had established a foothold in the licensed property market before 1870 and by that date there were some significant holdings. The Tyne Brewery Co. held 16 houses in Newcastle and Nimmo's owned ten houses (12% of the total) in the Easington area. If we consider three of the biggest four owners of Newcastle houses in 1888 - Sanderson, Arnison and Ridley, Cutter & Firth - with a combined total of forty, we find that they already held 33 between them 16 years earlier. What the Newcastle figures also demonstrate is that the rise in brewer ownership from 1872 - 88 had led to only a mild concentration of ownership, as Table 23 shows. What happened during the period was that sixteen brewers entered the market by the acquisition of only one or two properties. In 1888 thirty-three brewers owned houses in the city compared to seventeen in 1872.¹⁷

Another aspect of brewer ownership of licensed property across the region was the acquisition of property close to production facilities. In 1872 for example, John Sutter had six properties, five within a short distance of his brewery. Similarly, by 1880 the Ferry Brewery, South Shields owned eight properties in the town. Around Chester-le-Street, Fenwick's, the local brewery, owned eight houses (12% of the total) whilst eight other breweries held one each.¹⁸ This geographical concentration of brewers' holdings was repeated elsewhere, but for some isolated breweries in thinly populated areas the building up of a tied estate meant spreading the net some distance.¹⁹

Number of premises	1872	1888	Number	%	
	%	%			
Brewers with 10 or more premises	10.9	12.4	Owners independent of the trade	27	48
Brewers with 7 or more premises	10.9	15.4	Brewers	18	32
Brewers with 4 or more premises	13.3	17.7	Wine and spirit merchants	11	20
Brewers with 2 or more premises	15.7	21.6		56	100
Brewers with 1 or more premises	16.4	24.8			

Table 23. Cumulative percentage of premises with licensed victualler licences in Newcastle owned by brewers, 1872-1888. Source. Newcastle Magistrates Court Publicans' Licences Register Tyne & Wear Archives Service MG/Nc/9/1-2.

The extra dimension of control

Ownership of houses did not, however, determine the extent of the tied trade. Ownership was only one element in a brewer's ability to control the sale of his product through retail outlets. Ownership of the premises conferred the power to install a tenant or manager, but such power could be executed through leased property. Thus the figures for Newcastle, lacking details of lessees, show only 'ownership' and provide an incomplete picture of 'control'. How incomplete we cannot say except to refer to the 59% of public houses in private hands in 1888.²⁰

These were owned by people independent of the trade who in some cases owned a number of houses by virtue of their general property interests. We know from other sources such as company prospectuses and newspaper advertisements that brewers leased property as keenly as they bought it. Many of Newcastle's privately-held houses, it can be safely assumed, were leased by brewers and therefore the extent of the tie in 1890 exceeded the number of properties owned.

It is possible to confirm this extra dimension of 'control' over 'ownership' with reference to Blyth. A return produced around 1890²¹ for the licensing magistrates showed that ownership of the town's 56 licensed premises was divided as in Table 24. From this data it can be seen that trade interests owned just over half the properties. However, information given on the identities of the lessees showed that of the 27 independently-owned properties, ten were leased to brewers

Table 24. Ownership of public houses and beerhouses in Blyth c.1890. Source. List of No. 2, Blyth Section, Morpeth Division, Licensed Houses (Northumberland County Record Office P5 5/119b).

Owner/Lessee	No. of houses
J. Thompson, wine & spirit merchant, Blyth	10
Blyth and Tyne Brewery, Blyth	9
J. Routledge, wine & spirit merchant, Blyth	6
J. Sanderson, Haymarket Brewery, Newcastle	4
I. Tucker, Turk's Head Brewery, Gateshead	4
Newcastle Breweries Ltd.	4
Other breweries ¹	5
Other wine and spirit merchants ²	2
Independent licensed victuallers	<u>12</u>
	56

Table 25: Control by ownership or lease of public houses and beerhouses in Blyth c.1890. Source. As Table 24.

1. Four Newcastle brewers and one from South Shields with one house each
2. One from Newcastle and one from Blyth.

and one to a wine merchant. If percentages are recalculated on the basis of this 'control', brewers would be credited with 47% and wine merchants 32%. The local aspect of ownership is confirmed by the analysis on the basis of individual firms (Table 25).

What the Blyth data also emphasises is that brewers not only competed with other brewers in the licensed property market, but also with wine and spirit merchants, ale and porter merchants, and those licensed victuallers who sought to build up a chain of houses. In Newcastle, for example, these other interests entered the market and by 1872 owned 6% of the total full on-licences and 10% by 1888, and whilst there was not the same overall degree of penetration into public house property as for brewers, some Newcastle merchants (e.g. J.H. Graham, F.M. Laing and Robinson's) owned more properties than most brewers.²² Their wine and spirit business and their property holdings were to make such firms doubly attractive to brewers when considering growth through amalgamation at the time of incorporation.

So far the brewers' ability to exert control over retail outlets has been discussed with reference to their ability to own or lease property. Another possibility was the so-called 'loan tie' arrangement where the licensee was advanced the funds to improve his premises in return for a promise to stock a brewery's products. This was not the preferred method in the North East but was in widespread use in London and Scotland where the nature of property ownership and the attitudes of licensing magistrates made the outright purchase of property difficult.²³

The experience of the West Auckland Brewery Company

The way in which one North East brewery went about extending its tied estate can be illustrated by reference to the West Auckland Brewery Co. In 1877, at the point when J. Tamplin relinquished control of the brewery, he owned one leasehold and 16 freehold public houses, and controlled another 18 he leased or rented.²⁴ For the newly-formed West Auckland Brewery Co., as with all other brewers, there were three sources of additional property: from the individual owner or licensee with a single house, from those merchants or licensed victuallers who had accumulated a chain of premises, and from other brewers who wished to dispose of all or part of their licensed estate. In the first year, the new company bought five properties from separate individuals, but the two most important (including the North Eastern, Spennymoor for £4,200) were purchased after the owners had approached the brewery offering them for sale. In the next decade a small number of public houses were acquired in a similar fashion.²⁵

The most effective way for the ambitious brewer to increase his estate was to acquire a collection of houses already put together by another. In practice, however, the brewer's ability to proceed satisfactorily along these lines depended not only upon an initial agreement on values but the subsequent successful disposal of those houses which may not fit comfortably into the brewer's existing chain. The route to augmenting property holdings, therefore, was not necessarily as smooth or effortless as the bare facts about the brewery's acquisitions might suggest. At the West Auckland Brewery there were some abortive attempts to reach agreements on the sale or transfer of property. An initial offer by Kirkley & Co. of Stockton to sell the company four public houses in the Wear-dale area was finally rejected when the valuations of the two parties remained far apart. Another arrangement discussed by the brewery was based on a proposal by a Mr Hearse who owned licensed property in and around Middlesbrough. It was suggested that the brewery buy some of the smaller public houses and beerhouses in return for Hearse agreeing to take all his supplies for the remaining larger houses from the brewery. Discussion took place but no agreement was reached.²⁶

In one instance, the West Auckland Brewery Co. did acquire houses from another brewer by buying properties once belonging to the Wear Valley Brewery, Wolsingham. In 1884 solicitors acting for the Love estate approached the company with a number of packages of licensed properties. The company inspected the houses and immediately agreed the asking price of £3,000 for a package of four properties, including the Queen's Arms and the Station Hotel, Wolsingham. The other two properties involved, at Crawleyside and Rookhope, were clearly surplus to the company's requirements and within a few weeks the directors decided to sell them for £350 and award a £25 bonus to anyone actually finding the brewery a purchaser. After 16 months the two properties eventually raised £210. A similar situation arose with another group of Love properties. For three hotels in Middlesbrough and the London Porter Stores, Durham the brewery paid £4,500, but within a few years had disposed of two of the Middlesbrough premises.²⁷

Renting and leasing rather than outright ownership, was a method adopted for increasing tied trade if and when the opportunity arose. The West Auckland Brewery agreed to rent four of Love's former properties, just as it had earlier arranged to rent two licensed houses from a local licensed victualler. In 1884 the company leased the public house and wine and spirit stores belonging to a Bishop Auckland trader, but earlier attempts to buy a local wine and spirit merchant's business had failed.²⁸

The acquisition of licensed property by brewers was a costly exercise which could make considerable demand upon funds,

especially amongst smaller concerns in the pre-incorporation period. Nevertheless, the ownership of property assets could itself make the raising of capital easier and at the West Auckland Brewery their tied estate was used to borrow on mortgages from directors, local businessmen and other individuals.²⁹ But the development of a tied estate also brought with it the liability to manage and maintain it. In the first decade of its existence the West Auckland Brewery altered, enlarged and re-built a number of its houses.³⁰

The response of local brewers

Survival and scale

The growing importance of forward integration during the period 1870-90 and the impact being made by outside brewers' products were two developments that could not be ignored by North East brewers. For some, the response was to accept that they could no longer compete in this changing climate. For others, who saw an advantage in restricting their competitive battles to the regional front only, the strategy was to reach some formal accommodation with an outside, usually Scottish, brewer. But for some of the larger North East breweries, who were confident about their production facilities and their range of products, the response was to compete aggressively and effectively with both outside and local firms.

In a literal sense all 80 North East brewers of 1890 must be regarded as survivors, but this would be to overlook the dynamics at work within the industry which created contrasting degrees of competitive health. By 1890 some brewers were participating in and benefiting from the process of concentration, whilst others were passively and precariously managing to avoid becoming victims of the trend. Although most brewers were small brewers there was no safety in numbers since the trend was that of the rapid disappearance, almost exclusively, of the small brewer. Thus, a great proportion of 1890 survivors were vulnerable and many would leave the industry within a few years. Even when not disappearing entirely, their acquisition by another brewer, usually because of their tied trade, meant that the brewing plant was closed down. This continuing concentration after 1890 had, therefore, less to do with the immediate circumstances surrounding a firm's death and more to do with the condition of the different survivors in 1890; a condition determined by their behaviour and record over the previous 20 years. There was, therefore, in 1890 a relatively small but durable core of survivors which was to continue to dominate the region's brewing industry in the future. From the point of view of this study it is worth considering if there were any common characteristics apparent in 1890 or during

the period 1870-90 which explain not only their continuing existence but long-term future.

As we have seen, most survivors to 1890 were small and many cannot have been any larger in 1890 than they were in 1870. But it was this group, of course, which had little future in brewing. Those which did have a future, either began the period with a strong foothold in the industry and went on to increase their size or entered the industry during the period on a substantial scale. Examples in the first category were Vaux and Barras & Co., and in the second category there was Robt. Deuchar, who began brewing by taking a lease on the well-established Sandyford Stone Brewery. A further movement at work during the period was typified by Jas. Deuchar and Robt. Emmerson who both made significant leaps in their levels of activity by transferring from breweries attached to public houses to large-scale, purpose-built facilities.³¹

Alongside this apparent commitment to large scale production and expansion, most of the long term survivors displayed a willingness to modernise, and often rebuild, brewing plant. In Chapter 2, we saw that a number of brewers engaged in major overhauls of their production facilities. Another common thread amongst long term survivors was an eagerness to diversify into wine and spirits and the production of mineral waters.³²

Management

The period 1870-90 also witnessed the arrival of a much more professional management. For some survivors, as we have seen, management passed through successive generations of the same family and as such there was a continuity of management steeped, from an early age, in the practices of the industry. This could, of course, create a stagnant approach which eschewed innovation in favour of traditional methods or practices. Many of the long-established firms did, however, realise the value of managerial talent and recruited such. For instance, in 1870 the Swalwell Brewery recruited Robert Glass as manager and 14 years later the proprietors, whose family had owned the business for over a century, publicly acknowledged that whilst the firm had always been prosperous, it was the management of Glass that ensured it had become much more successful. A similar situation arose at the Border Brewery, Berwick, where a turning point in the company's fortunes was put down to 'securing the advantage' in 1887 of Wm. Henning's 'ability and practical experience as a managing partner'.³³

Other North East breweries operated in the period with long-established, experienced managers who had been with the

companies through periods of change and growth. Robinson Bros. of Houghton-le-Spring had the same manager for 40 years and Fenwick & Co. of Chester-le-Street for 37 years. There was also experience amongst the new entrants to brewing during the period. For example, before the formation of Ourbridge & Archibald, one of the partners, Ourbridge worked for a number of years for Newcastle brewers Wilkinson & Co. Similarly, the two founders of Nixey & Coleclough had employment experience with leading brewers in Burton and London.³⁴

It is also conceivable that a more professional approach to management was brought to the North East brewing trade by those successful entrepreneurs in other fields who moved into brewing. Amongst such people was C.B. Reid who had originally worked as a partner in his father's goldsmith's business before joining a brother in the management of the Pelton Collieries. He founded the Leazes Brewery and maintained an interest until 1879.³⁵ Other examples were Joseph Johnson and the Carr family of North Shields.³⁶

Science

In a period when science was becoming recognised as having an increasingly important role to play in the industry, a number of undertakings adopted a more scientific approach by recruiting experienced brewers from areas where products or processes were considered superior. Robert Newton, for instance, recruited a Burton-trained brewer in 1884 and Robt. Deuchar secured the services of a man with experience with Scottish brewers.³⁷ What turned out to be the most significant appointment was made by the Barras brewery in 1887. The appointment of T.W. Lovibond not only ensured that the control of the brewing process and future development took place along scientific lines but ensured that Barras & Co., and subsequently the Newcastle Breweries, were to be at the forefront of North East brewing. Lovibond had begun as a partner in his family's Greenwich brewery and then went on to study brewing chemistry at University College, London in 1881. Three years later he became head brewer at the Trent Brewery, Newark, before joining Barras & Co. in a similar capacity.³⁸

The appointment of Lovibond cannot be over-estimated, being a unique and bold move for a North East brewery at that time. In the late 1880s only the City & Guilds of London Institute examined brewing but they did not organise classes. The only regular lectures on the subject were at University College, London.³⁹ Thus, Barras's acquired a scientific brewer at a time when almost all practising brewers in Britain obtained their knowledge, along with their skills, via a three to seven year apprenticeship. As a conse-

quence a seemingly ambivalent attitude to scientific and technical matters and quality control existed amongst traditional brewers and their employers. This was seen at the West Auckland Brewery where at its first board meeting in 1878 the chairman circulated an advertisement outlining Steele's newly-published technical work on brewing. The board decided not to purchase a copy but a few years later they were recognising the importance of the brewer by paying him £200 per annum.⁴⁰

However, the increasing importance of science and engineering could not be ignored by North East brewers. In the first instance, they were faced with competition from the more technically advanced producers of Burton, London and Scotland. Secondly, the removal of the malt tax had added an extra impetus. The creation of the 'free mash tun' now allowed the enterprising brewer the possibility of using sugar, raw grain and other malt substitutes to produce different beers to meet changing tastes. In addition, the basis of calculation for the new beer duty put an onus on efficiency of production methods. In these circumstances success was increasingly dependent upon the observance of scientific principles and the adoption of the latest techniques and equipment. Local brewers were well aware of this and by the end of the period W.J. Nimmo was lecturing Durham University engineering students on the specification of modern brewing plant.⁴¹

Marketing

Competition had been intensified by outside brewers at a time when national consumption of beers was stagnating. Moreover, as we have seen, many brewers had invested heavily in updating and remodelling their premises which brought with it higher capacities. Under these circumstances the region's brewers were looking to increase their levels of sales and this could only be done by extending their marketing efforts into the free houses outside their tied trade and outside their immediate neighbourhood.

The manner of acquiring the new trade was by the use of travellers. Like those operating for outside brewers, it was the quality of the 'connection' within the region and the trade that was important, and the success or otherwise of the brewery's travellers was closely monitored and critical to the growth and viability of the brewery. The West Auckland Brewery, for example, took a lot of trouble to recruit representatives, but a four year period in the 1880s perfectly illustrates the difficulty of recruiting satisfactory salesmen who could achieve acceptable levels of performance. When the firm was seeking to secure the services of a 'first class traveller' in 1882 there was no shortage of applicants, alt-

though some asked for terms that the brewery were unwilling to meet. A traveller, Partington, was appointed at £130 per annum. A year later another traveller was engaged to represent the brewery in Sunderland and Newcastle at a salary of £200 after finding £500 security. This arrangement was altered in 1884 when the traveller became self-employed, thereafter paying all his own expenses and operating on the basis of 15% of net monies collected. Meanwhile, Partington, the original appointment, was reported to be having frequent quarrels with the brewer and was asked to resign. A replacement was appointed at £130 per annum with security of £300. He resigned a month later to be replaced by a Mr Wright, formerly traveller for Masham Brewery, at a slightly higher salary. Within a few months Wright was brought before the board and questioned about the level of free trade he had achieved. By the end of the year the chairman was informing the board of Wright's 'defalcation' and in early 1886 Wright was prosecuted for felony and sentenced to six months imprisonment. Another traveller was then appointed but four months later he was thought by the chairman to be 'not suitable for our business'. The next traveller, taken on in June 1886, was called before the board in early 1887 and queried as to his level of expenses and the amount of free trade orders obtained. In May 1887 he was given one month's notice.⁴² Not all North East brewery travellers had such short-lived careers: the traveller for Ridley, Cutter & Firth was with the firm for over 30 years.⁴³

Writing in 1889, T.W. Lovibond described how the leading North East brewers responded to the growing penetration of the regional market by outside brewers. Whilst some decided to become agents for a pale ale brewer, others took the 'bolder, and in the long run, more judicious course'⁴⁴ of meeting public demand by brewing such products themselves. The promotion by the Burton and Edinburgh brewers of what Lovibond, a professional brewer, adjudged to be 'sound, clear and better-flavoured beers'⁴⁵ gradually captured more and more of the market. A number of North East brewers, therefore adopted a policy of 'import substitution' and began to add a pale or bitter ale, and sometimes a stout, to their range. Nevertheless, for part of the period 1870-90 the traditional local 'mild' beer remained the speciality of a number of brewers. But as its popularity waned brewers began to put more emphasis on other products for which there was a growing rather than a declining demand. This could only be done by changing methods which necessitated improving plant so, here again, it was the investment - conscious, technically-aware, long-term survivors of 1890 which were involved in this movement. Lovibond cited his own firm of Barras & Co., Robert Newton, Tucker's and Vaux as examples of breweries which were successfully competing with pale ale brewers by 1889.⁴⁶

Summary

The early 1870s had witnessed outside brewers consolidating their foothold in the North East market whilst ambitious local brewers set about organising their response, which in the first instance meant replicating the successful products of outside brewers. The leading firms in the industry also recognised the advantage of moving into the retail sector where ownership, or at least control, of licences properties further strengthened their competitive position. This need to improve products, upgrade production facilities and forwardly integrate in a systematic way made it incumbent on the leading firms to improve technical and administrative management, which was usually done by recruiting skill and experience from elsewhere. By 1890, therefore, the leading North East brewers had emerged from the previous two decades as better equipped, better managed and better provided with retail outlets; enabling them to be restructured as public and private companies in the new decade.

Part 3: 1891-1914

Chapter 4: The changing structure of the brewing trade

Introduction

In the period 1891-1914 the structure of the brewing trade in the North East was to change quite dramatically. An increased concentration of ownership, which reduced the number of brewers by more than half, was allied to changes in the size and status of the most prominent of the 1890s survivors, which by the outbreak of the First World War were almost all public limited companies. This restructuring of brewing itself was accompanied by forward integration, such that by 1914 the retail sector was as much a part of the brewing industry as the production of beers.

Production

Concentration of Ownership

For the British brewing trade the marked feature of the years 1891-1914 was the continued decline in the number of brewers for sale: 5,710 disappeared in the ten years after 1890 and 2,463 in the 14 years that followed.¹ Table 26 shows that this reduction in numbers was largely confined to small brewers, with those with an annual output below 1,000 barrels showing a fall of some 75% from 1890 to 1914. By contrast, the number of undertakings producing more than 20,000 barrels per year increased by 14%.

Barrelage brewed	Year			
	1890	1900	1910	1914
Under 1,000	9,986	4,759	3,141	2,536
1,000 – 9,999	1,447	910	722	580
10,000 – 19,999	274	262	214	197
20,000 – 99,999	255	308	274	280
100,000 – 499,999	34	42	41	46
500,000 – 999,999	2	6	4	5
1,000,000 +	<u>2</u>	<u>3</u>	<u>2</u>	<u>3</u>
	12,000	6,290	4,398	3,647

Table 26. Number of brewers for sale in the United Kingdom 1890-194 categorized according to bulk barrelage produced. Source. Returns of Brewers Licences for 1890, 1900, 1910 and 1914.

From returns of brewers licenses for the collections of Sunderland and Newcastle (Table 27) we can gauge the fall in the number of common brewers in the two counties during the period to be in the order of 60%. Other categories of brewer ceased to have any significance for the North East.

Licensed victualling licences, of which only 14 were issued in 1890, were not taken out at all in Northumberland and Durham after 1908. Likewise, brewers not for sale (licences for home, often country-house, brewing) numbered only eleven in 1890 and were down to two in 1914.²

Year	Number of breweries	Year	Number of breweries	Year	Number of breweries
1890	96	1899	62	1908	52
1891	91	1900	60	1909	48
1892	88	1901	60	1910	47
1893	85	1902	60	1911	46
1894	77	1903	58	1912	42
1895	65	1904	58	1913	41
1896	64	1905	55	1914	39
1897	60	1906	53		
1898	60	1907	53		

Table 27: Number of wholesale brewers in Northumberland and Durham 1890-1914. Source. Returns of Brewers Licences 1890-1914.

Category	Nature of change	Net reduction in number of firms	Number of firms remaining in 1914
A	Amalgamation, followed by takeover	9	2
B	Multiple acquisitions	7	2
C	Brewers absorbing one another	6	6
D	Scottish takeovers of North East brewers	1	2
E	Ceased brewing	18	-
F	Unchanged	-	<u>27</u>
		41	39

Table 28. Reasons for change in number of brewing firms in the North East, 1890-1914. Source. Newcastle Breweries Ltd Prospectus, 1890, Tyne & Wear Archives Service (TWAS) 2319/5; Newcastle Breweries Ltd Board Minutes, Books 1 & 2, TWAS 1463/6 & 7; Barber, N., *Where Have All the Breweries Gone?* (Swinton 1981) p.30; McMaster, C., *Alloa Ale. A History of the Brewing Industry in Alloa* (Edinburgh 1985) p.16; *Rivers of the North. Their Cities and Commerce* (1894) p.196; *Official Handbook of the Gateshead Corporation* (1951) p.37; Report on Sale of Mawsons Properties, Durham County Record Office D/H11/10/837; *Newcastle Daily Journal* 18 January 1890, 10 May 1890, 31 May 1890, 1 November 1890, 17 November 1891, 27 February 1892, 8 April 1893, 17 August 1895, 8 December 1896, 2 February 1899, 7 February 1905, 10 January 1906, 7 June 1906 and 24 May 1907; *Newcastle Daily Chronicle* 25 May 1895, 3 June 1896, 30 July 1896 and 6 December 1897; *Brewing Trade Review*, 1 September 1898, 1 April 1899, 1 June 1905, 1 March 1909 and 1 January 1910; *Brewers' Guardian* 17 February 1891, 24 October 1893; *Breweries and Distilleries* 20 June 1891; *Morpeth Herald* 17 November 1900; Information provided by Whitbread Archive.

The decrease in brewing numbers in the North East followed the overall pattern of England and Wales. Licence returns do not identify individual brewers but it is possible to construct a picture of the changing pattern of brewing in the North East by tracking the fate of those firms brewing in 1890 (established in Chapter 2). The experience of these brewers is summarized in Table 28.

The changes in category A resulted from the creation of two large regional combines and their subsequent acquisitions. The Newcastle Breweries Ltd. was formed when Barras & Co. combined with four other local firms, including the North Shields-based breweries of Carr and Allison, in 1890. This new organisation then took over the nearby firm of Falconar & Co. in 1893 and the city-centre brewery of Sanderson in 1898. In 1910 Newcastle Breweries moved into south Durham to acquire all the ordinary share capital of C. F. & M. Forsters of Bishop Middleham.³ The other important regional amalgamation was the formation of the North Eastern Breweries Ltd. in 1896. Amongst the participants in this

fusion were the Sunderland breweries of Bramwell & Co. and Win. Storey, and the Tudhoe Brewery of J. Junor. A few years later North Eastern Breweries took over the Teesside firm of Kirk Bros.⁴

In category B, another prominent brewer, J.W. Cameron, grew not by amalgamation but by a series of acquisitions. In 1894 it took over the Hartlepool firm of Nixey, Coleclough & Baxter (who had themselves absorbed Bishop Auckland's W. Cameron & Co. in 1891), followed by another Hartlepool company, Rickinson & Sons, in 1895. A few years later they acquired E.J. Sait & Co. and then in 1897 took over T.E. Chapman of Sunderland.⁵ The only other North East brewer in this category, John Rowell & Sons Ltd., bought Wm. Turnbull of South Shields in 1896 and an interest in Matthew Taylor of Swalwell around 1901.⁶

Category C represents the six occasions during the period 1890-1914 when a brewer took over one other; in some cases a smaller, often near neighbour. Thus, when the Mor-

peth partnership of Hopper & Anderson was dissolved in 1900, Anderson paid £24,500 at auction for all the properties and plant, and almost immediately bought another Morpeth brewery recently vacated by A.M. Loades. In 1910, J. Heslop of Billingham acquired the Grange Brewery, a few miles away at Norton, from the trustees of T. Heslop. In 1909 T. Lamb & Sons of Hetton-le-Hole purchased the Rainton Brewery and in 1912 J. Nimmo took over Thomas Chilton of Seaham. In north Northumberland the Belford Brewery of G. Wright was acquired by its nearest competitor, the Border Brewery, in 1896. When, in 1907, Robert Henderson of Westoe Brewery retired, the business was purchased by Joseph Johnson of Durham after competition from Camerons and North Eastern Breweries.⁷

Category D denotes the element of Scottish control of North East brewing, which arrived in 1895 when A. Arrol of Alloa incorporated Meikles Arthurs Hill Brewery into its new company. Three years later another Alloa brewer, George Younger, acquired R. Fenwick & Co. of Sunderland and the Chester Brewery at Chester le Street. In 1901 Arrol made a second incursion into the region with its takeover of Dover & Newsome Baxter. This latter company had been formed in 1897 in a merger of brewers Newsome Baxter of Thornton-le-Moor and ale and spirit merchants Dover & Co. of Newcastle to take over the Blandford Brewery vacated by the dissolved partnership of Ourbridge & Archibald.⁸

Categories A, B, C and D account for slightly more than half of the overall reduction in brewing firms, the remaining losses being due to the cessation of operations by brewers. In some cases it is possible to ascribe some probable cause and date to the firms disappearance. For example, death or retirement explains the closure of Northumberland brewers Wardle in 1891 and Lamb in 1903, and accounts for the end of brewing in Newcastle by Sutter in 1902 and Jacob Wilkinson in 1906. When Munnoch of Gateshead died in 1902 repeated attempts to sell or let his premises and brewery plant failed, and in Tynemouth, the Openshaw partnership was dissolved in 1891.⁹ In the early 1890s sales notices and subsequent directory entries point to the closure of the White Lion and Barras Bridge breweries in Newcastle, Smarts of Morpeth, Mitchell of Wooler and Dalton of Blaydon. These closures were followed by those of Fox of Norton Old Brewery in 1894, Bulmer of Hunwick in the same year, and Crosthwaites brewery at South Shields in 1895.¹⁰ The Bank Brewery at Barnard Castle, however, continued until 1906. Although there had been changes in the partnership since McLean's death, it continued to be operated by Mawson as McLean & Co. and by 1906 had accumulated an estate of ten houses. When all the properties came up for auction, the brewery and its plant remained unsold, and was later let for other purposes.¹¹ In South Shields, Wood was reported to

have given up brewing in 1905, although he remained in the drinks trade.¹² Three other brewers, Howe, Gilchrist and Pitloh, stopped appearing in directories around 1902.

The brewers in category E who, due to reasons of financial insolvency or a combination of size and lack of economic viability which discouraged continuance under new ownership, had the biggest numerical impact on the structure of brewing. But the future pattern of the North East brewing trade owed more to amalgamations of and takeovers by the larger firms. Also significant was the less obvious organic growth of some of those survivors such as Vaux, who neither merged with or absorbed other firms during the period 1891-1914. It was also the case that although some other breweries continued to brew throughout the period, they did not remain under the same ownership. The Monkseaton Brewery, for instance, changed hands as frequently after 1890 as it had done before. In 1891 George Wright, who ran it in conjunction with the Belford Brewery, was offering it for let and later tried to sell its plant. In 1898 he finally sold it and moved to the New Brewery, Brampton. The new owners, a local syndicate, overhauled the brewery and added an aerated water and bottling plant. A year later a new syndicate took over, which included Gateshead wine and spirit merchants Davison & Wood. In 1908 there were partnership changes and by 1913 the brewery was back on the market.¹³

The changing pattern of ownership in Table 28 represents a decline from the original 80 brewers in 1890 to around 57 in 1900 and down to 39 by 1914. This differs from the pattern indicated by brewers licences (Table 27) but only in timing, since both sources give a brewery population in Northumberland and Durham of 39 in 1914. Another source, the *Brewers Almanack*, puts the figure at 37.¹⁴ The divergence of figures before 1914 can be partly explained by the overlap of the date of licence returns and the calendar year, the approximations involved in dating the cessation of brewing and the unreliability of directories. Also, the precise ownership arrangements of parent and subsidiary companies, and the time lapse before rationalisation of brewery facilities closed particular breweries, may have maintained the need for separate brewing licences. Although there are discrepancies in available figures, we can take comfort from the fact that a contemporary commentator on the industry in 1895 regretted that it was 'not possible to fix with exactitude either the number of brewers or breweries'.¹⁵

Nonetheless, the period 1891-1914 was certainly one of declining numbers and equally, a period of increasing concentration. Appendix 6 shows that despite fluctuations in levels of activity and concerns about falls in consumption, 27% more materials were being used in North East breweries in 1914 than in 1890. No production figures for the re-

Collection	Number of breweries	% of England & Wales total of materials used	Average material usage per brewer (malt & malt equivalent in bushels)
Bolton	43	2.0	27,496
Bristol	28	2.1	44,456
Burton	36	11.3	185,029
Derby	21	1.6	45,773
Ipswich	34	1.4	23,556
Lancaster	38	2.1	31,786
Lincoln	37	0.7	11,199
London	78	29.2	219,760
Manchester	33	5.7	102,156
Newcastle	21	0.9	25,839
Norwich	19	1.6	49,479
Sunderland	18	1.4	46,766

Table 29: Number of brewers and materials used in certain collections in England. 1914. Source. Return of Brewers Licences for 1914.

gion exist but national figures suggest that changes in inputs can be used as a reasonable proxy for changes in output.¹⁶ This being the case, there must have been more beer brewed in the region in 1914 than in 1890 and brewed by less than half the number of brewers. Returns on materials used in each collection indicate that the North East's share of England and Wales usage grew from 2.18% to 2.36% over the period.¹⁷ The relative share of the two counties within this figure remained more or less constant during the period, with Durham consistently using one-and-a-half times Northumberland's quantities.

The North East's relative position with regard to the industry nationally is indicated by Table 29, which shows the predominance of Burton and London as brewing centres, with Manchester much the strongest of the provincial centres. Sunderland's level of activity approximates to that of other collections such as Derby and Norwich with similar numbers of brewers. Newcastle, however, compares unfavourably with those collections containing as many brewers. Whilst an average usage — based on a collection's total divided by its number of brewers — may not equate with

any individual brewers' actual usage, it does act as a rough indicator of the varying degrees of concentration to be found nationally. Whilst Table 29 points to the structure of the North East brewing being unexceptional in general provincial terms, it also confirms the extent to which it is adrift, not only in terms of activity but also in concentration levels of the largest brewing centres. It could be argued, however, that given the national markets enjoyed by the leading London and Burton brewers, it is misleading to talk of them as regional brewers.

The concentration of ownership and production in the North East brought with it a less fragmented geographical distribution (Table 30). Whilst the big combines of Newcastle Breweries and North Eastern Breweries (along with Camerons) largely embraced firms in established urban brewing centres, it was the other takeovers in category C and particularly the closure of smaller breweries (category E) which had the greatest impact on the geographical distribution of brewing in the region. In rural Northumberland, for example, by the early years of the century brewing had ended in Belford, Harbottle, Wooler, Warkworth and Felton.

Location	Number of breweries	Location	Number of breweries
Newcastle	9	Locations with one brewery each: Berwick, Blyth,	
Darlington	4	Norton, Chester-le-Street,	
Sunderland	4	Tweedmouth, Durham,	
South Shields	3	Ovington, Ovingham,	
Gateshead	2	Castle Eden, Houghton-le-Spring, Hetton-le-Hole,	
Hartlepool(s)	2	Alnwick, Morpeth,	
		Monkseaton, West Auckland	= 15

Table 30. Brewers operating in the North East 1914. Source. Appendices 2, 3 & 4 and as Table 28.

Year	Company	Capital details
1890	Alnwick Brewery Co.	£60,000 in £10 shares
1890	W. Cameron & Co.	£15,370 in £50 shares
1892	Johnson & Darling Ltd.	£30,000 in £50 shares
1894	Robinson Bros.	£80,000 in £10 shares
1897	M. Wood	£57,000 in £1 shares (£15,000 pref)
1898	Ridley Cutter & Firth	£70,000 in £10 shares (£40,000 pref)

Table 31. Some private company registrations in the North East, 1890-1914. Source. *Brewers' Guardian* 30.9.1890, 6.12.1892 and 17.7.1894; *Newcastle Daily Chronicle* 4.9.1897 & 8.1.1898.

Similarly, in County Durham previously important centres such as Bishop Auckland, Barnard Castle and Spennymoor no longer housed working breweries.

Incorporation and capital

The increasing concentration that occurred in the industry in the period 1890-1914 was facilitated by incorporation and financial restructuring. After 1889 many North East brewers sought limited liability status, some as private and others as public companies. Table 31 details some of those registering as private companies. Since the adoption of this type of reg-

istration ruled out the provision of capital by the general public, it can be assumed that the prime motivation of these firms was to graft the protection offered by limited liability onto what remained, for all intents and purposes, a private or family partnership. For the less ambitious, retained profits would provide sufficient funds to meet subsequent capital requirements for improvements to premises and plant, and the possible extension of a small tied estate. For others, however, this format was but an intermediate step on the road to expansion and eventual public company status.

The public flotation of brewery companies was stimulated by the much-publicised, heavily over-subscribed Guinness

Year	Number incorporated	Number absorbed	Year	Number incorporated	Number absorbed
1881	1	1	1898	21	33
1882	1		1899	14	32
1883			1900	3	12
1884			1901	2	5
1885	2		1902		7
1886	4		1903	3	10
1887	14	7	1904	1	5
1888	25	9	1905		6
1889	19	12	1906	2	2
1890	16	18	1907	1	1
1891	11	7	1908		1
1892	5	3	1909		2
1893	3	1	1910		5
1894	14	2	1911		4
1895	22	19	1912		8
1896	37	38	1913		10
1897	33	26	1914		4

Table 32: Incorporation of, and acquisitions by, brewery companies listed in the Stock Exchange Yearbook of 1936, during the period 1890-1914. Source. Baxter, J. *The Organisation of the Brewery Industry* (Unpub. PhD Thesis, London University, 1945) Tables 26 & 29, pp.76 & 81.

conversion in 1886. Accurate figures are not available but one report in 1890 claimed that the number of joint-stock breweries had increased tenfold in three years.¹⁸ A more recent survey suggests that by the end of 1890 another 86 successful flotations had followed that of Guinness.¹⁹ Flotation continued through the decade and into the new century, and in many cases flotation and merger went hand in hand. Figures compiled by Baxter, although not complete, can be used to show the general pattern of incorporation and acquisition (Table 32).

Baxter's analysis points to company formation centring around two peaks in 1888 and 1896. From Table 33 it seems that the North East brewers were slow to participate in the immediate post-Guinness public formation. This is understandable since pre-1890 conversions were said to be mostly

'very large concerns'²⁰ whereas the North East's important brewers were relatively small. However, the second wave of activity embraced smaller undertakings and the region felt the effects. A third, minor wave, identified by the *Brewers' Weekly* in 1900 as 'the grateful appearance of joint-stock companies prospectuses in the dailies',²¹ was noticeable not for its size or strength but because it followed a period of depression in the trade. Nonetheless, as we see from Table 33, some North East brewers joined this later movement.

An early important flotation was that of the Newcastle Breweries. This was an amalgamation of John Barras & Co., W.H. Allison & Co., J.J. & W.H. Allison & Co., Swinburne & Co., and Carr Bros. & Carr. Apart from the recently modernised Tyne Brewery, only two other firms, W.H. Allison & Co. and Carr Bros. & Carr, possessed brewing facilities,

% of authorised capital

Year	Company	Total capital £	% of authorised capital		
			Ordinary shares	Preference shares	Debentures
1890	Newcastle Breweries	700,000	29	29	54
1890	Nixey, Coleclough & Baxter	115,000	26	26	48
1891	Blyth & Tyne	60,000	100		
1891	W.B. Reid	360,000	42		58
1893	Falconar	75,000	33	33	33
1894	Jas. Deuchar	270,000	26	26	48
1894	J.W. Cameron	600,000	29	29	42
1896	R. Fenwick	500,000	25	25	50
1896	North Eastern Breweries	800,000	31	19	50
1896	Simson & McPherson	350,000	29	29	42
1897	Dover & Newsome Baxter	220,000	23	23	54
1898 ¹	Jas. Deuchar	600,000	33	25	42
1898	John Rowell	165,000	30	33	54
1899	Duncan & Daglish	310,000	23	23	54
1900	Border Brewery Co.	110,000	23	23	54
1900	J.H. Graham	400,000	50		50

Table 33. Capital Structures of some North East public companies at flotation, 1890-1914. Source. Newcastle Breweries Ltd. Prospectus, 1890, Tyne & Wear Archive Services 2319/5; *Newcastle Daily Chronicle* 12.5.1891, 7.3.1893, 26.7.1894, 1.12.1894, 8.2.1896, 17.11.1896, 8.12.1896, 29.7.1897, 12.10.1898, 24.6.1899 and 10.12.1900; *South Durham Herald* 26.7.1890; *Blyth Weekly News* 12.9.1891; *Berwick Journal* 31.5.1900

1. Jas. Deuchar restructured in 1898.

and it was the stated intention of the directors that these would eventually be closed and the work transferred to Newcastle.²² Extra brewing capacity was not therefore the attraction of the merger, but the amalgamation of tied estates. This was confirmed by the inclusion in the scheme of J.J. & W.H. Allison & Co. and Swinburne & Co., who were ostensibly wine and spirit merchants who possessed strings of licensed property. The value of combining with wine and spirit merchants was evidently recognised in the other large North East flotation, in 1896, of the North Eastern Breweries Ltd. This was promoted by Richard Murray, a wine, spirit and ale merchant of Sunderland and Consett, and also included the Sunderland ale and porter bottling and aerated water business of Thos. Elwen & Son.²³ Similarly, other firms who were not directly engaged in brewing but were prominent in the drink trade were amongst the constituent firms that formed the mergers that became Nixey, Coleclough & Baxter; W.B. Reid; Simson & McPherson; and Dover & Newsome Baxter. Companies that later considered it worthwhile to absorb firms involved in licensed victualling or

other affiliated arms of the drink trade were Rowell's, Jas. Deuchar and Newcastle Breweries.²⁴

The public flotation of North East companies, with some of the more significant also incorporating amalgamations, mirrored not only what was happening in the industry generally but the developments taking place across much of manufacturing industry in the 1890s.²⁵ The negotiation of mergers and the conversion of private firms to public company status were often handled by experienced company promoters and there is some evidence that this occurred in the case of the Newcastle Breweries. H.O. O'Hagan, a financier who promoted some brewing flotations after an earlier involvement with tramways, dealt with the Newcastle Breweries issue 'in the ordinary course of business'.²⁶ The flotation of the Newcastle Breweries provoked a long and critical leader in the trade paper, *Breweries and Distilleries*.²⁷ It voiced particular concern about certain omissions in the prospectus, including the absence of a proper statement of valuation of properties and goodwill, the lack of detail with regard to turnover and

Category	Capital size	No. of firms	Total authorisation £m	Ordinary shares £m	Preference shares £m	Debentures or mortgages £m
A	Over £4m	2	10.08	3.86	3.36	2.86
B	£1m-4m	16	33.59	11.99	9.35	12.25
C ¹	£100,000 - £1m	147	47.17	17.42	11.09	18.66
D ²	Under £100,000	189	7.53	1.31	1.04	0.89

Table 34. Companies registered 1860 - 1895 in Great Britain devoted exclusively to brewing, divided into four categories according to size of capital. Source. Stopes, H. *Brewery Companies* (1895) p.41.

1. There are another 50 firms in this category with undivided share capital of £8.37m.
2. There are another £3.89m total capital in this category but the division is unknown.

the trend of profits over a number of years. Calling the prospectus a remarkable document, *Breweries and Distilleries* considered it alongside that of Barras & Co. a year earlier. In this latter prospectus the Tyne Brewery, the Gateshead malting, 71 licensed properties, stocks and goodwill were all valued at £135,612. The Newcastle Breweries' package of three breweries, three malthouses, 215 licensed houses etc., could be regarded as roughly three times the size of the Barras business. This, suggested the trade paper, would have put the worth of the new firm at around three times Barras's £135,612, that is, about £406,000. However, the price set by the promoters of the company was £606,000 plus some, by then undecided, amount for plant, fittings, stocks etc. *Breweries and Distilleries'* concern about the lack of detailed information, alongside the unexplained inflation in asset values over the period of a year, were testimony to the promotional skills of those managing the flotation. The Newcastle Breweries' launch also illustrates the atmosphere in the market at that time, whereby investors, despite having imperfect knowledge, felt confident enough to subscribe to the brewery enterprise and thereby endorse the promoters valuation.

The capital structure of public brewing companies consisted of share capital (both ordinary and preference) and loan capital in the form of debentures. Table 33 shows that ordinary and preference shares tended to be given equal weighting by North East firms, whilst debentures were a critical part of the overall capital structure. From a survey of the industry undertaken by the *Statist* in 1909 a broad picture of the relative popularity of different types of capital can be drawn. This shows ordinary shares to represent 27.5% of total capital, preference shares 28.9% and debentures 43.6%.²⁸ The capital structures of the North East brewers

(Table 33) coincides with this national picture. Interestingly, it has been argued that in the economy as a whole from 1895, and later in the brewing industry, an overall shift took place in new issues towards preference shares and away from debentures.²⁹ For many brewers in the North East, however, it seems that their growing property holdings (upon which debentures could be secured) made them, at least at the time of their original issue, a relatively easy way of raising capital without relinquishing control. For example, Newcastle Breweries debenture issues were always oversubscribed, with an issue in 1896 of £250,000 of 4% – priced at 107 – attracting £589,220 worth of applications.³⁰

Table 33 shows that despite similar breakdowns in share and loan capital, North East firms displayed a wide range in the actual size of the total authorised capitals. Stopes 1895 classification of 404 public and private companies (summarised in Table 34) includes five North East firms in category C and four in D, although Stripes survey has overlooked three other firms registered by 1895 which would qualify for inclusion in category D. Notwithstanding the fact that Newcastle Breweries would have qualified for category B one year later with its increased authorised capital, Stopes work confirms that in capital terms, as with levels of activity discussed earlier, North East firms were at best of average size. Indeed, most of the local incorporations after 1895 and before 1914 had capitals which put them in the lowest category or in the lower levels of the category C range. This was at a time when the giants of the industry were emerging: only eleven years after Stopes' analysis, Macrosty was calculating that 37 firms had capitals of in excess of £1 million.³¹ In 1914 there were six firms with capitals of more than £2 millions.³²

Year	Company	% of issued voting shares taken by vendors	% of purchase price taken in capital	% of issued capital taken by vendors
1890	Nixey, Coleclough & Baxter	50	52	50
1892	Blyth & Tyne	60		60
1893	Falconar	100	45	44
1894	Jas. Deuchar	100	52	52
1896	North Eastern Breweries	100	86	63
1896	R. Fenwick	100	46	46
1897	Dover & Newsome Baxter	100		23
1898	Jas. Deuchar	100		100
1899	Duncan & Daghish	100	23	23
1900	Border Brewery Co.	100		44

Table 35. Maintenance of control by proprietors of some North East brewery companies 1890 – 1900. Source. *Newcastle Daily Chronicle* 7.3.1893, 26.7.1894, 17.11.1896, 27.7.1897, 24.6.1899 and 12.10.1898; *South Durham Herald* 26.7.1890; *Blyth Weekly News* 12.9.1891; *Berwick Journal* 31.5.1900.

The foregoing discussion of authorised capitals may provide an indication of the size or ambition of a particular company but it gives no indication of the degree of public involvement in the running of such concerns. The invitation to the public to provide capital was only a partial invitation and precluded the public from wresting control of the company from those few private individuals who formerly ran the business. Table 35 proves that in the North East Cottrells conclusion that the growth in public brewing companies elsewhere in the country ‘did not lead to outside shareholders gaining control of their assets’³³ holds true. Voting powers were only attached to ordinary shares and such capital was usually taken up by the vendors as part or all of the purchase consideration. A survey, albeit by those hostile to the trade, considered 116 brewing companies in 1907 with joint capital of £79 millions and found profits distributed amongst only 861 families.³⁴

Authorised capital totals do not necessarily equate with issued capitals. Companies, particularly those formed with the largest authorised totals, retained a part of their capital for subsequent issue when circumstances required further funds. Nor indeed was the authorised capital itself permanently fixed: it could, and often was, increased when need arose. Further issues of capital were often made to finance takeo-

vers and Baxters analysis of capital changes, depicted in Table 36, shows a correspondence with the pattern of takeover for the same firms (Table 32). Table 37 provides examples of capital issues by North East firms to assist acquisition, although issues were made for other reasons.³⁵

For the most part, restructuring meant increasing authorised and issued capitals to keep pace with the boom enjoyed by brewing companies during the 1890s. By the turn of the century, however, as the property boom collapsed, some firms were paying the penalty for their participation in an increasingly competitive industry and their dependency on fixed interest, sometimes cumulative, preference shares and debentures. Restructuring now meant rescue operations to avoid financial failure. Whilst the most dramatic measures were confined to some nationally-famous, if over-capitalised-companies, elsewhere, there were some North East reductions in capital. There were also some large capital increases with Robt. Deuchar increasing its share capital by 133% in 1900. Jas. Deuchar, on the other hand, restructured completely in 1898.³⁶ The first decade of the twentieth century also brought with it redemption dates for some of the debenture issues of the 1890s and breweries were able to come to arrangements to reschedule these. For instance, Newcastle Breweries extended its

Year	Number increasing capital	Number decreasing capital	Year	Number increasing capital	Number decreasing capital
1890	5		1903	13	1
1891		1	1904	5	1
1892	1		1905	7	
1893	2		1906	4	2
1894	2	2	1907	3	
1895	5	1	1908	2	
1896	12		1909	2	3
1897	19		1910	4	3
1898	20		1911	2	1
1899	20		1912	4	3
1900	8		1913	2	2
1901	10		1914	4	2
1902	7				

Table 36. Number of increases and decreases in capital, 1890-1914, by brewery companies listed in the Stoke Exchange Year-book for 1936. Source. Baxter (1945) Table 27, p.78.

first mortgaged debentures for another 21 years in 1911 and Rowells renewed two debenture issues for 15 years from 1911.³⁷

Extra-regional takeovers

Category D of Table 28 shows that for two Scottish brewers, who like their English rivals could raise the necessary capital, there was the opportunity to improve market share by takeover or amalgamation. A new company, Archibald Arrol & Son Ltd., was floated in 1895 and incorporated with it the Newcastle businesses of John Meikle and Wm. Turnbull, with John Meikle joining the board of Arrols. By 1899 Arrols reported greatly increased output at their Alloa and Newcastle breweries, and in 1901 the company acquired the ordinary and preference share capital of Dover & Newsome Baxter of Newcastle and Thornton-le-Moor.³⁸ In 1909 Arrols annual meeting was told that the shares in Dover & Newsome Baxter had yielded a return for the first two years but 'there never was the success anticipated, and in spite of all efforts to acquire additional trade, ground has been lost

steadily'.³⁹ Arrols therefore closed the Thornton-le-Moor brewery and disposed of it to another Alloa firm, Calders.⁴⁰ As we saw on p.106, George Younger of Alloa bought two businesses in Sunderland and Chester-le-Street in 1898. This was financed by a capital issue of 12,500 new ordinary shares, all at £10.⁴¹

The transfer of ownership between Scotland and the North East was not all one way. On three occasions, North East firms bought breweries in Scotland. The least successful of these initiatives was taken not by brewers but by a group of Newcastle businessmen otherwise involved in the drink trade, who formed a consortium to pay £13,000 for Meiklejohns Bass Crest Brewery at Alloa. The new owners of the brewery were John Fitzgerald, J. Mackay & Co., Taylor & Bell and Henderson & Sons. This consortium of wine and spirit merchants and licensed victuallers could muster between them a number of public houses on Tyneside, but their venture into brewing was short-lived. The brewery's name, trade mark and publicity material had regularly invited threat of legal action from Bass, Ratcliff & Gretton and McMaster points out that

although as far as can be ascertained the litigation proved inconclusive, it was obviously a severe drain on the reserves of a relatively small company such as the Bass Crest Brewery Co. which had trouble serving its market in the North East of England. To rid themselves once and for all from the situation of continual watchfulness and attendant litigation, Bass, Ratcliffe and Gretton arranged in late 1918 to purchase the Bass Crest Brewery Co.⁴²

Two other moves into Scottish brewing, by brothers Robt. and Jas. Deuchar, led to the eventual transfer of all their brewing activity north of the border. Robt. Deuchar made a two-pronged entry into Scottish brewing by firstly buying an Edinburgh brewery and secondly, by taking over another brewing business in Scotland. In 1899 Robt. Deuchar, whose business was based at the Sandyford Brewery, Newcastle, was represented at an auction in Edinburgh when the 45 quarter Duddingston Brewery, built in 1896, came up for sale for the second time. The property had belonged to the recently liquidated Pattisons Ltd. and was put up at a reduced upset of £30,000 and was knocked down at that price to Robt. Deuchar. Shortly afterwards he told shareholders that the acquisition of Duddingston Brewery proved more satisfactory than anticipated. Not only had it enabled Deuchars to brew all the Scotch ales for the tied trade which had previously been bought in, but had also earned 'considerable income from sales to free customers with whom a large and increased trade is already done in England and Scotland'.⁴³

Within a month of the Duddingston purchase, Robt. Deuchar took control of Simson & McPherson by allotting the former owners preference shares in the Deuchar company. Simson & McPherson was a 1896 merger of a Scottish brewing firm and a Newcastle wine and spirit merchant. James Simson & Son, founded in 1839, owned breweries in Edinburgh and Melrose. The Canongate Brewery in Edinburgh drew on well-water that was judged to have the special qualities required for good Scotch beers, whilst the Abbey Brewery at Melrose on the other hand, had been adapted for the production of stout and porter. The other participant in the merger, John McPherson, had come to Newcastle as agent for a Scottish brewery but set himself up as a wine and spirit merchant in 1862. He also acted for 25 years as sole agent for Drybrough & Co. of Edinburgh and gradually accumulated an estate of licensed houses. In phrases that echoed those in Robt. Deuchars prospectus, Simson & McPhersons formation was intended to increase trade by 'supplying from Messrs. Simsons brewery, the Scotch beer hitherto purchased elsewhere' and by the 'further increase of tied trade in England for Scotch ales'.⁴⁴

Following the takeover of Simson & McPherson, Robt. Deuchar began to rationalise his production, terminating brewing at Simsons Edinburgh site but continuing to use the

maltings. The Melrose Brewery concentrated on stouts and porters for some time until downgraded to storage. Production was concentrated at Duddingston and to meet the increased output a further well was required by 1912. Beers were sent south to Deuchar's North East customers by rail, using the Border Counties line of the North British Railway.⁴⁵

Jas. Deuchar, owner of the Monkwearmouth Brewery with a large tied estate in Northumberland and Durham, bought the Lochside Brewery, Montrose, in 1900. The brewery, previously owned by Wm. Ross & Co., offered extensive facilities, being fitted with a 40 quarter plant and 76 quarter malt houses. Jas. Deuchar began to ship beer south to his North East houses by steamer.⁴⁶

Not all Scottish initiatives by North East brewers were as successful as those of the Deuchars. The Border Brewery Co. at Berwick, situated mid-way between the large urban markets of the North East and Scotland, looked towards Scotland more for survival than expansion. In 1904 the firm decided to appoint an agent or traveller for the Glasgow district, following efforts directed at clubs in the Edinburgh area. However, the business built up with clubs had produced bad debts and some losses. At the annual meeting in 1905 one shareholder expressed great dissatisfaction that the company had 'undertaken such dangerous business' with such clubs 'whose tenants were utterly irresponsible and were not trusted by Edinburgh brewers'.⁴⁷ The directors then decided to 'approach Archibald Arrol or some other brewer with a view to some arrangement for amalgamation or sale'.⁴⁸ Nothing materialised from this initiative, but in 1910 the directors were negotiating with Falkirk brewers, Jas. Aitken, although the proposed scheme of amalgamation broke down.⁴⁹

The North Eastern Breweries Ltd. made a unique move at the turn of the century when, instead of setting its sights on a Scottish production base like some, it purchased a brewery in Burton on Trent. The Broadway Brewery of Booth & Co. was bought with a view to supplying North Eastern Breweries tied houses with a genuine Burton brew of its own making. Since the company was incorporated, it had been paying between £30,000 and £40,000 per year for Burton-made products. The Broadway Brewery, covering an acre of ground, was re-equipped with new plant before beginning operations in 1900. Shareholders were told that the intention was to run the new brewery as an outside factory without office staff, expenses were to be minimal and orders sent to them would be fulfilled almost as if the brewery was within half a mile of Sunderland. The main attraction of the project was the advantage of Burton waters, allowing them to brew the beers 'which the public undoubtedly liked'.⁵⁰

Rationalisation, improvement and diversification

We have seen that the period from 1890 was one of concentration. Scale economies demanded that production was rationalised, which in turn required the closure of some facilities and expansion of the remaining breweries. This process of both centralisation and extension had to proceed within existing constraints and no two breweries followed precisely the same pattern but, despite varying in arrangement and construction, most had conformed to the gravitation principle where practicable. One effect of the concentration process had been to place brewing firmly in the hands of urban brewers and for many of them future expansion was to take place within the confines of an existing site and may have therefore fallen short of the ideal solution.⁵¹

The larger brewers, created as a result of merger and acquisition, dealt with the twin questions of rationalisation and capacity in a piecemeal fashion and at a rate largely determined by their takeover activity and their move into the allied trades such as aerated waters and wine and spirits. Cameron's, for example, gradually reconstructed its brewery at West Hartlepool throughout the 1890s such that by the end of the decade they had a 70 quarter brewery capable of turning out 2,500 barrels of beer per week. A new yeast room and fermenting rooms were built in a separate block and cellars ran under most of the site. Three of the firms Cameron's took over (E.J. Sait, A. Chapman, W. Cameron) were conveniently located for conversion to depots and offices at Stockton, Sunderland and Bishop Auckland. The Stockton buildings were re-built in 1898, providing stores alongside their own wharf and beer cellars with hydraulic lifts driven by gas.⁵²

At Newcastle Breweries moves were quickly made to centralise brewing operations in that city. Brewing was terminated at the High and Low Breweries at North Shields and work at the Tyne Brewery had raised its capacity by 50% and obviated the need for night work. The North Shields premises became the focus for the firms wine and spirit business and later an aerated water plant was added. By 1896, with the purchase of the Haymarket Brewery, the company acquired a one quarter acre site which was cleared and then developed over three years to accommodate new wine and spirit stores, mineral water factory, beer bottling plant, stabling for 36 horses, blacksmiths forge, coopers and joiners shops. In 1900 £15,000 was spent on new plant and machinery for the Haymarket building. Space was still limited, however, and a ginger beer factory had to be built on a new site nearby. At the Tyne Brewery itself, Newcastle Breweries continued to carry out improvements with £17,000 being spent, for example, in 1914.⁵³

The North East Breweries were preparing at the end of 1897 to leave their Moor Street Brewery in Sunderland and in 1902 closed the Tower Brewery at Tudhoe for 'purposes of economy and concentration', allowing them to report in 1903 that reduced expenses and better supervision over brewing operations (by now concentrated at the Wear Brewery) had followed. The company had earlier spoken of removing the whole of their brewing operations from Sunderland to Spennymoor and Stockton but this would seem to have been a threat aimed as a protest against the rating authority. Another brewer, Nimmo, removed the plant from the old North Riding Brewery immediately after taking possession and adapted it as a depot.⁵⁴

One brewer, Clayhills of Darlington, chose in 1894 to demolish and completely rebuild and refit the 10 quarter Haughton Road Brewery in accordance with the tower principle.⁵⁵ Others rebuilt, but not from choice. Robinson Bros. rebuilt their Houghton-le-Spring brewery in 1910, a year after it had been destroyed by fire. Nevertheless, the opportunity was seized to construct a 22 quarter plant with the most recent advances in brewery engineering. Amongst the equipment installed was a Harrisons wort regulator which had only come onto the market two months earlier. Fire also dictated the rebuilding of Forster's Bishop Middleham Brewery in 1899, and excavations for a new variety theatre caused the collapse of Jacob Wilkinsons three - storey brewery. The rebuilding of this small four quarter brewery at the rear of a Newcastle public house went very much against the trend towards larger units and this was indeed verified three years later when the new brewery closed.⁵⁶

General, unspecified alterations were made at many North East breweries. Fenwick's made what were described as 'considerable modifications and additions' to their Sunderland brewery in 1897, and sizeable extensions were made to the Leazes Brewery of W.B. Reid in 1899, including a new beer storage building erected on a field adjacent to the brewery. Around the turn of the century further additions to brewing facilities were made at Cameron's and Clayhills' breweries, thus illustrating the dynamic nature of brewing in the North East during this period. In 1913 brewing was suspended at Rowell's to allow structural alterations to be carried out in the brewery and the installation of larger brewery plant.⁵⁷

Within this overall pattern of improvement and extension, brewers were modernising or replacing equipment in vital areas. The most basic of raw materials, water, was becoming increasingly important and Nimmo's brewery, for instance, was using 40,000 gallons per day around the turn of the century. It was estimated that one barrel of beer required 1½ barrels in the brewing and another 12 barrels for cleaning,

refrigerating and other purposes, and North East brewers continued to ensure adequate supplies by sinking new wells. At Warwick's Brewery in Darlington, Coulson & Co. of Durham spent three months of 1891 boring an artesian well before reaching a "seemingly inexhaustible supply" from the magnesium limestone strata. In 1901 the Border Brewery augmented their water supply by sinking a 200 foot borehole in garden ground belonging to the brewery.⁵⁸

The boiling of hops and wort remained a critical step in the brewing process and coppers were renewed at a number of North East breweries, with Rowell's, for instance, fitting a new pressure copper.⁵⁹ It was a time also when wooden mash tuns were being superseded by metal or lined with copper. Rowell's and Cameron's, for example, bought new tuns and put up new buildings to house them, whilst the West Auckland Brewery prolonged the life of existing wooden vessels by relining as well as buying new ones. The main expenditure on equipment at Newcastle Breweries in 1900 was over £2,000 on three fermenting tuns.⁶⁰ Other improvements were made by brewers in the areas of cask washing, grain drying, mashing, cooling and conveyors.⁶¹

As well as the increased contribution made by engineering, the applications of electricity were growing and were said in 1900 to be 'invading the brewery in many ways'.⁶² In the North East, for example, Newcastle Breweries had installed a system of electronic elevators and hoists and Fenwick's of Sunderland built new bonded stores in 1896 fitted with electric power.⁶³ In 1910 Nimmo's installed electrical plant throughout the brewery such that 'all the work of lighting, heating and driving was accompanied by electricity'.⁶⁴ By 1914 the *Brewing Trade Review* claimed that the electric motor, previously seen by many brewers as a luxury, was now a necessity.⁶⁵

Changes also took place in the affiliated activities of malting and, more especially, in the production of mineral waters and the preparation of bottled beers. Malting, as a separate activity, had been subject to the same structural changes as brewing itself.⁶⁶ Amongst North East brewers who prepared their own malt there were contrasting developments. Some, particularly the larger firms, took initiatives which ensured they could meet their own requirements, whilst some smaller brewers vacated their maltings and allowed specialised maltsters to occupy them as branches of their own malting business. In this latter category were brewers at Sunderland and Darlington.⁶⁷ In 1898 the North Eastern Breweries leased a malt bin previously used by R. Fenwick & Co. in order to cut down on purchases. At this stage the company were buying two or three thousand quarters of malt each year because they did not have the capacity to produce it themselves.⁶⁸

Of those who improved their own malting operations, it was Cameron's who took the lead in 1899 when they built a new malting of three working floors which met the company's own special needs and secured cost savings, although within a few years the company was having to buy in some supplies and extra capacity was required. The state of the art in malting at this time was the pneumatic form of mechanical malting which had particular attractions for brewers on restricted sites, calling for smaller buildings and less space. The system had become popular in America and on the Continent but was relatively rare in Britain. So in 1908, when a pneumatic maltings was designed and built for Cameron's, it attracted favourable comment in the trade press. A large addition was made to Cameron's system in 1913.⁶⁹ Jas. Deuchar also had considerable improvements made when he took over the Monkwearmouth Brewery, including a large five storey extension with barley floor, two malting floors and a kiln floor.⁷⁰ Updating of malthouse and malt kilns also occurred elsewhere in the North East.⁷¹

The considerable market for aerated waters became a lucrative market for brewers to enter.⁷² As previously mentioned, some brewers acquired mineral water plants as the by-product of amalgamation or take-over. Then, as the brewers commitments to such products grew, many built or renewed manufacturing plants; amongst them R. Fenwick in 1896, North Eastern Breweries in 1898, Cameron's and W.B. Reid in 1899, and the West Auckland Brewery Co. in 1907. The Alnwick Brewery Co. at first bought the right to use the bottles and labels of another local manufacturer, Miller & Blayney, before erecting a factory of their own in 1906.⁷³

The technology and experience developed through the packaging of mineral waters, allied to the public demand for lower gravity beers which did not keep well in casks, provided the impetus for the growth of the bottled beer market. In 1906 the *Daily Telegraph* reported that 'the dominant feature of the Brewers Exhibition is the triumph of bottled beer'.⁷⁴ There had earlier been reluctance amongst brewers to meet the increasing demand for such products because it entailed setting up labour-intensive bottling departments, increased capital and transport costs, and all for lower profit margins than draught beer. But by the 1900s leading brewers had come to recognise the value of the bottled trade and were taking steps to mechanise the process. Earlier bottling methods involved hard labour and were often carried out in an uncoordinated way. In 1900 the Yorkshire and North Eastern Institute of Brewing meeting in Newcastle was told that labour accounted for almost 70% of the total cost of the bottling process and 10% of the total production cost of the bottled product.⁷⁵

Bottling was quickly taken up by brewers in the North East. In 1894 Cameron's opened a bottling factory in the old Rickinson's brewery, and in 1907 a new bottling hall opened by Vaux exemplified the correct balance between different types of machinery and the use of conveyor belts to cut down the handling of bottles and cases. This overcame two of the industry's main concerns of heavy wage costs and losses through breakage. In one case this latter problem added 7% to the cost of bottling and was of particular concern at Rowell's in 1913. At North Eastern Breweries, whilst the new bottling hall was working successfully, the company had to write off 120,000 on the waste and destruction of bottles, prompting them to press for a deposit system.⁷⁶ However, the fact that brewers were attending to bottling operations and seeking cost-effective solutions was testimony to the growth of demand as the wickered gallon jar had given way to the four-quart crate. To meet this demand, brewers were required to develop distribution networks and by the turn of the century Vaux, for example, ran bottling stores at Newcastle, Middlesbrough, Spennymoor and Leeds.⁷⁷

The retail trade

The acquisition of licensed property

The arguments for and against the tied house system were widely aired by both drink interests and their opponents, and the vigour with which the brewers defended the system indicated their growing awareness of the advantages of exercising greater control over retail outlets. In the North East, for example, Cameron's tied estate increased from 119 in 1894 to around 400 in 1899 and the North Eastern Breweries controlled 244 houses in 1899 compared with 182 three years earlier.⁷⁸

Frequent reference was made to the extent of the tie nationally, but often on the basis of assertion with little supporting evidence and sometimes confusing the question of control with ownership. For 1890 Wilson claims that probably 70% of licences were held under tie of some kind, in 1899 a Royal Commission reported that 'fully three quarters of houses were more or less tied', in the same year the *Brewers Journal* said probably 90%, and in 1907 Pratt put the number of houses 'really free in the fullest sense' at 6 or 8%.⁷⁹ Such figures are impossible to test without a complete set of licensing registers and also details of all the leasing arrangements. Yet these estimates, however impressionistic, point to the general belief that brewers had been leading a sustained assault on the ownership and control of licensed premises.

In order to extend their tied estates brewers were required to acquire property by outright purchase or by buying lease-

holds. Freehold property could be obtained by brewers via a number of routes, the most effective being to get hold of property *en bloc* by taking over another brewery business, wine merchant or licensed victualler with a chain of houses. On a lesser scale property was bought in small numbers at auction or by private treaty. Table 38 shows some major acquisitions by North East brewers through takeover of other brewery firms. Examples of small chains of public houses procured from other sources include Newcastle Breweries 1896 purchase of twelve houses from wine and spirit merchant J. Routledge, Rowell's purchase of a dozen or so properties already leased by them from the executors of John Rowell in 1912, Jas. Deuchars purchase of an estate of 29 houses in Sunderland around 1892, the Border Breweries purchase of a group of five freeholds in 1905 and W.B. Reid's acquisition of eight houses in North Shields in 1906.⁸⁰

Brewers also bought single properties by private treaty as funds and market conditions allowed. Newcastle Breweries picked up five separate properties in the first months of its existence, Robt. Deuchar bought fourteen properties within one month at the end of 1897, and many other brewers also reported similar purchases of property from time to time.⁸¹ Some transfers of property took place after vendors or their agents approached a prominent brewer in their locality. For example, Rowell's was offered houses and groups of houses on nine occasions between 1911 and 1914. Some were not entertained at all, whilst others were considered and then declined following inspection and/or reports on the particulars of their turnover.⁸²

Another source of licensed property was auction sales and, even though licensed houses were thought to change hands more often by private contract,⁸³ it was the open competition of the saleroom which provided a regular clue to the state of the licensed property market. Prices, according to the Statist, peaked in 1897-8 when licensed properties of all kinds were being bid for 'in a manner which set a nought all previous calculations'.⁸⁴ Giving evidence to Peels Royal Commission at the height of the boom, a Newcastle valuer described how ten years earlier the market valued licensed property on the basis of £1,000 for each £10 weekly takings and by 1898 a house with takings of £50 per week sold for £10,000; and even after alteration takings could only rise to £80 per week.⁸⁵ He went on to say that the value of licensed premises had increased very much, especially during the previous two or three years, and how, over the previous ten years, prices had almost doubled. It was inevitable in a market of rapidly rising prices that brewers and others with substantial trade interests would have both the funds and the confidence to outbid the single licensed victualler. It was also the case that the owner of the free house may have willingly sold and

Brewery company	Year	Business acquired	No. of hoses taken over
J.W. Cameron	1892	Nixey, Coleclough & Baxter	c.80
J.W. Cameron	1897	T.E. Chapman	83
J.W. Cameron	1910	Heslop	28
Newcastle Breweries	1893	Falconar & Co.	12
Newcastle Breweries	1898	Sanderson & Co.	27
Newcastle Breweries	1910	Forster's	c.50
North Eastern Breweries	1899	Kirk Bros.	34
Nimmo	1912	Chilton	12

Table 38: Some businesses and licensed houses acquired by North East brewers, 1892-1912.

Source. Wood, R., *The Lion Brewery. A Short History* (West Hartlepool 1963) pp. 15 & 31; *Newcastle Daily Chronicle* 6.12.1897; *Newcastle Daily Journal* 20.3.1899; Valuation of Falconars Stock and Properties, 23.11.1893, Tyne & Wear Archives Service (TWAS) 1463/ ; Papers relating to John Sanderson & Sons TWAS 1463/273; Valuation and Schedule of Properties owned by Newcastle Breweries, 1914, TWAS 1463/276; Information supplied by Whitbread Archive.

cashied in on his rapidly appreciating capital asset. The effect in Newcastle, it was claimed, was to 'wipe out almost entirely the old fashioned publican'.⁸⁶

The prices being paid during the boom in licensed premises suggests that competition amongst rival brewers meant valuations were being put on premises which departed from their intrinsic commercial value and this realisation, coupled with anxieties about legislation, led to a sudden reassessment in the market. After the turn of the century a slump hit the licensed property market and this was reflected in the columns of the *Newcastle Journal* which regularly reported on auctions of licensed property. Between 1901 and 1903 it reported on almost 50 occasions when licensed property was withdrawn at auction, often well short of its reserve and sometimes with no bid at all. In 1901 at Morpeth, for example, 'an invitation to set property away at £2,000 or even £1,000 was met with unbroken silence'.⁸⁷ There were some instances of brewers buying at auction - Cameron's, Emmer-son and Nimmo all bought in 1901 - but on the whole there was a lack of interest in licensed property. In 1903 the Castle Brewery at Thirsk and several lots of public houses were offered for sale at West Hartlepool but no bids were forthcoming. By 1905 some Newcastle property was estimated to be worth little more than half the sum it was valued at in 1901.⁸⁸ In 1907 the *Statist*, whilst admitting numerous

records were not available, felt it was no exaggeration to say that the 'enormous sums paid by brewers some 10 years ago ... are twice, if not indeed, thrice as much as could be obtained if they were to go onto the market at the present time'.⁸⁹ By 1912 the same journal thought that licensed premises 'do not now reach a quarter of the amount they would readily sell for in the days of the boom'.⁹⁰

The control of leaseholds was the second weapon adopted by brewers in their battle to tie in outlets. In a financial sense the acquisition of a long leasehold could differ little from purchase if, as happened in a buoyant market, the lessor could obtain a substantial premium from a well-situated group of properties. The brewers looked to landowners, property owners and former brewers to increase their tied estates by negotiating long leaseholds. Jas. Deuchar took a 21 year lease in 1890 on 17 Newcastle city centre properties owned by the executors of Richard Grainger and then in 1900 took on lease the public houses of the Bearnish Estate.⁹¹ By 1914 Newcastle Breweries were leasing chains of properties from Lord Hastings, the Ecclesiastical Commissioners and the estate of former Durham brewer, John Colpitts.⁹²

An initiative in 1891 by the Newcastle Breweries allowed them to unite the different aspects of leasehold and freehold

property by the formation of the Northern Breweries Corporation, a trust company set up to buy licensed property and lease it to the brewery. This separate body was thought necessary because

under the deed of trust by which debenture holders are secured, all properties the brewery may hereafter acquire go to increase the security of the debenture holders, and the brewery company would be debarred from raising any money upon them. It is therefore evident that it would not answer the purpose of this company to continue to buy properties if the brewery company is to be out of pocket for the whole amount of the purchase money.⁹³

It was the Northern Breweries Corporation that actually bought both Falconar's and Routledge's properties and then leased them to Newcastle Breweries, and after four years operations had spent £440,000 on licensed premises. In 1902 the corporation changed its name to the Northern Corporation to better reflect, it was said, the fact that it was 'simply an investment company'.⁹⁴ These sentiments were echoed by the Gateshead Breweries Corporation, registered in 1900, which described itself as a 'property owning company ... [which] purchased property at a fair market value and then let it at what they considered a reasonable return'.⁹⁵ The identity of the Gateshead Breweries Corporations founders suggest a strong connection with John Rowell & Son Ltd., and it was this company that formally absorbed the Gateshead Breweries Corporation in 1912.⁹⁶

The third mode of tying, after tenancing freehold and leasehold properties, was based on advancing mortgages or loans to previously independent owners who henceforth became tied in return. This practice was rare in the region. Newcastle Breweries "outstanding mortgages and loans to customers" began in 1892, reaching a peak in 1897, but fell to a total of less than £1000 by 1910.⁹⁷ Smaller breweries, like the West Auckland Brewery Co., occasionally lent to landlords,⁹⁸ but with mortgages being insignificant in the region, the size of any firms tied estate rested upon the ownership of freeholds, copyholds and leaseholds.

The larger brewers were fortunate in having the capital structures and financial standing to initiate takeovers, and could therefore look beyond the unsolicited offers of property that were brought to them from time to time. Smaller firms, however, did not possess the same bargaining power and were forced to augment their tied estate by less spectacular means. Shortly after incorporation, the Border Brewery considered a number of approaches made by agents acting for individuals with modest estates of licensed property to sell. The company did buy several properties in Sunderland and negotiated the purchase of a group of licensed houses covering Stockton, Durham and Darlington. The latter deal

was said at the time to secure 4,000 barrels of tied trade in beer, a large spirit supply and income from rents. However, renegotiation had to take place when it was discovered that the figures on barrelage given to the directors contained an error of around 20%.⁹⁹

Another small firm, the privately-owned West Auckland Brewery Co., did not increase its tied estate by takeover but by various piecemeal efforts. Minute books reveal that between 1890 and 1907 the company bought 24 licensed properties and leased another nine. Of those purchased, 14 were bought by private treaty and another seven were acquired from the 16 offered to the company over that time. A number of these houses were offered by local building societies who had presumably repossessed these as mortgagees. This source of licensed property was attractive in that it usually came with the offer of a mortgage. The remaining three houses purchased by the West Auckland Brewery came from successful bids at auction, although the company was unsuccessful on another ten occasions.¹⁰⁰

Making the tie

Having acquired the leaseholds and freeholds, the brewer had a choice about the manner in which the house was to be run. He could install a manager or, if it was not to become a managed house, he could let the property to a tenant and then reach an agreement about such matters as the tenants obligation to obtain supplies from the brewery. Both methods of working their houses – by management or tenant – offered brewers both advantages and disadvantages. T.W. Lovibond, by then managing director of the Newcastle Breweries, told the Peel Commission that a system of management benefited from the brewery's vast experience, control by the brewery was more effective, the trade of the house was not vulnerable to the weaknesses of individual tenants and there tended to be fewer convictions in managed houses. Set against this, it was easier from the brewery's point of view to operate a tenancy system. As to which was the most appropriate system, Lovibond felt it depended on the type of house. Small houses were not suitable for managers but a large house was likely to be more profitable, the risks of management lower, and therefore the management system rather than a tenancy would apply.¹⁰¹ Consequently, the Newcastle Breweries had both managed and tenanted houses. In 1890 the company ran 62% of its houses on a tenancy system and in 1899 70%, In 1910 the North Eastern Breweries had 56% of its Sunderland houses on tenancies but only 27% of its estate in the Stockton, Middlesbrough and Cleveland area. Of Sanderson's small estate of 27 houses in 1898, 74% were run on a tenancy basis.¹⁰² What evidence is available for the North East confirms the

conclusion of others that managers were installed to a lesser extent than tenants.¹⁰³

The brewer tied the tenant to a contract for the exclusive sale of some or all of the brewers products. In Northumberland and Durham, according to a report prepared by the Country Brewers Society, the minimum tie for beer only was the general custom,¹⁰⁴ Barras & Co., for example, had in 1899 tied all tenants but only for beer. However, with its consolidation with others on the formation of the Newcastle Breweries, tenants were additionally tied for wines and spirits. Then, when the first mineral water factory was fitted out in 1891, the tie was extended to cover this product in all the company's houses 'situated within a sufficient distance to make it pay'.¹⁰⁵ This progressive approach implies that the precise constraints of the tie may have owed as much to a brewers own range of products and services as to some over-riding policy consideration. In fact, brewers could tie customers for products they themselves did not manufacture but for which they had made some arrangement with another producer. So it was that the West Auckland Brewery tied their tenants to the aerated water of a local producer before they began manufacturing it themselves.¹⁰⁶

Once the extent of the tie was established, the other matter to be settled was the terms upon which tied houses were to be supplied. The convention was to charge the tied customer more than the free house and this differential was the subject of some debate. The Clerk to the Justices of Newcastle told the Peel Commission that a tenant could expect to pay 11 shillings per barrel more than the owner of a free house. Evidence from Newcastle Breweries gave the differential on a scale between 4 and 8 shillings per barrel, with the smaller beerhouse paying the lower figure and the larger more prosperous premises paying the top rate.¹⁰⁷ Yet this reveals only half of the picture : the price the tenant had to pay for his supplies and judgements about its fairness must be considered in conjunction with his rent. The prevailing custom in Northumberland and Durham in 1898 was to charge very low rents compared with the value of the houses. Pratt, writing in 1907, described a similar situation:

In some [places], such as the Tyne, Warrington and Wigan, the tenant pays low rental, but is charged a higher rate for goods supplied than a free tenant would pay, so that, given two houses of equal rent but unequal trade; the tenant who did the larger business would, through his barrelage pay the larger amount to the brewers. In the Tyne district I visited a rebuilt house which was assessed at £100; but for which the tenant paid only £48 per year; and I saw, also, houses which, rented by a brewery company itself, had been sublet to the actual tenant at a substantial lower figure.¹⁰⁹

There are two final elements to be considered on the brewer-tenant contract; the assistance tenants received with regard to repairs and the arrangements with respect to fixtures and fittings. In Northumberland and Durham at the turn of the century, the convention was that all brewers did external repairs and most carried out internal repairs. As far as fixtures and fittings were concerned the picture was less universal, but what was described as 'probably the prevailing practice'¹¹⁰ was for the brewer to own fixtures and fittings but collect a deposit on entry and repay it with interest at the end of a tenancy. Pratt found brewers 'generous in providing their tenants with bar fittings and accessories, furniture for public rooms, and other things besides. In certain houses I visited on the north east coast the value of such accessories ... ranged from £200 to £250'.¹¹¹ The North East system, with low rents and deposits for fixtures which fell some way below the cost of buying them, kept down the entry barriers for potential tenants. The new tenant was required to have some capital to meet the initial deposit but the system put greater stress on the tenant proving himself by increasing turnover.

The extent of the tied trade

From the one-off survey of licensing registers conducted in 1892,¹¹² and referred to in Chapter 3, it is possible to construct a picture of Northumberland and Durham and obtain a reliable guide to each brewers overall ownership of premises in the region (Appendix 7). The regional total of houses owned by a brewer may, however, underestimate the true number, since the return does not reveal details when a brewer has but a single house in a district. Nor does Appendix 7 take into account holdings outside Northumberland and Durham.

The results of the 1892 exercise reveal that North East brewers may have had smaller tied estates than many outside the region but collectively, and sometimes individually, they owed significant proportions of all houses in some districts. It is possible to calculate the proportion of houses in each district which were owned by brewers who were brewing at the time of the return and doing so within the region. Thus, after eliminating the many non-brewers, the small number of brewers from outside the region and those former brewers and their executors who had held onto their licensed houses, Table 39 can be constructed to show the districts where brewery ownership of houses was at its most marked. Table 40 shows those single brewers owning significant percentages in particular districts.

Appendix 8 contains details from some surviving licensing registers covering part or all of the period 1890-1914 and

Licensing district	% of total number of licensed properties owned by brewers
Hartlepool Borough	58.0
Sunderland Ward	48.4
Castle Eden Ward	46.2
Houghton-le-Spring	45.2
Jarrow Borough	42.9
Sunderland Borough	42.4
West Hartlepool Ward	37.0
Seaham Ward	35.6
Durham Ward	33.5
Gateshead Borough	33.1
Newcastle	26.2

Table 39. Total Brewers Ownership of Licensed Muses, in Certain Licensing Districts, 1892. Source. 1892 Parliamentary Return of On-Licences.

Brewer	Licensing district	% of total number of licensed properties
Border Brewery	Norham Ward	29.4
Nimmo	Castle Eden Ward	26.3
Cameron	West Hartlepool Ward	25.0
Nixey, Coleclough & Baxter	Hartlepool Borough	24.6
Fenwick & Co.	Chester-le-Street Ward	21.1
Robinson Bros.	Houghton-le-Spring Ward	19.9
Plews	Darlington Borough	17.8
Harker	Hartlepool Borough	11.6

Table 40. Some brewers with significant ownership of licensed houses in certain licensing districts, 1892 Source. Table 39.

provides, when considered alongside the 1892 return, somewhat patchy but useful information about the trends in brewery ownership of public houses. It indicates the rapid increase in ownership in the 1890s and the slowing of the pace after the turn of the century. In one case, the Easington Ward, brewery ownership remained unchanged, but this is

perhaps explained by the very high level of ownership there already. One factor at work was the reduction of licences. Thus, in the Durham Ward, slight changes in brewers ownership and a fall in the overall number of licences meant that the percentage held by brewers with more than five houses rose from 41% to 49% from 1897-1915.¹¹³

Year	Brewer	Total number of licensed houses	Details	
1890	Nixey, Coleclough & Baxter	40	Freehold, copy hold or long leasehold	26
			Held on lease or yearly tenancy	14
1890	Newcastle Breweries	211	Freehold	111
			Copyhold	15
			Leasehold	37
			Short lease, tenancies	48
1891	W.B. Reid	143	Freehold, copyhold	61
			Leasehold	57
			Other tenancies	25
1894	Cameron	119	Freehold or copyhold	91
1894	Jas. Deuchar	60	Freehold	30
			Copyhold	3
			Leasehold or tenancies	27
1896	Rowell	63	Freehold	29
			Copyhold	3
			Leasehold	31
1896	R. Fenwick	63	Freehold, copyhold, leasehold	56
			Leasehold with up to 30 years upwards	4
			Other leaseholds	3
1896	Simson & McPherson	26	Freehold	20
			Others tied by loan	6
1896	North Eastern Breweries	182	Freehold, long leasehold, copyhold	139
			Shortleased tenancies and tied houses	43
1897	Robt. Deuchar	41	Freehold	31
			Copyhold	6
			Leasehold	4
1897	Dove & Newsome Baxter	46	Freehold, copyhold, long leasehold	30
			Shortleases, tenancies	16
1898	Jas. Deuchar	76	Freehold, copyhold	45
			Rights & interests in	31
1899	Duncan & Daglish	33	Freehold	21
			Copyhold	1
			Leasehold	11
1900	Border Brewery Co.	48	Freehold	23
			Copyhold	3
			Leasehold	18
			Annual tenancies	4

Table 41. Tied Estates of Same North East Brewers on Flotation and/or Amalgamation, 1890-1900.

Source. Newcastle Breweries Ltd Prospectus, 1890, Tyne & Wear Archives Service (TWAS) 2319/5; *Newcastle Daily Chronicle* 12.5.1891, 1.12.1894, 26.7.1894, 30.7.1896, 17.11.1896, 8.2.1896, 8.12.1896, 29.7.1897, 12.10.1898 and 24.6.1899; *South Durham Herald* 26.7.1890; *Brewers' Guardian* 7.9.1897; *Berwick Journal* 31.5.1900.

To assess the concentration in particular districts requires details not only of registered owners of property but also the leaseholders of the apparently ‘independently-owned’ premises. For only one ward, the Middle Division of the Chester Ward, is such information available. In 1888 local brewer Fenwick & Co. owned 11% of licences and 14% in 1905 when it was by then absorbed by Geo. Younger. If, however, we include houses leased, the percentage of licences controlled by the brewery becomes 23% for 1905. Altogether, brewers owned 45% of houses in 1905 but with leases held the amount controlled rose to 84%.¹¹⁴ The effect that leaseholds had in increasing brewers share of a retail market can be gleaned from Newcastle in 1912, where Jas. Deuchar owned 12 houses but controlled 28 as a result of his leasing of Grainger properties.¹¹⁵

Outside brewers and the retail trade

Outside brewers followed the example of the North East brewers and bought licensed property. By the 1890s many Alloa brewers, for example, were owners: McClay had property around Newcastle, Meiklejohn owned licensed premises in North Shields and Calders had houses in the region, including five in Middlesbrough. Edinburgh brewers Ritchie held public houses in Stockton, Steel Coulson acquired houses in the North East, and R & D Sharp of the Blackford Brewery, Perth, increased their capital to buy a number of properties, some on Tyneside. The London brewers Charrington and Young & Co. had made some acquisitions in Teesside and Newcastle, whilst the Yorkshire firms of H. Bentley & Co. and the Tadcaster Brewery Co. owned houses in South Shields, Bishop Auckland and Sunderland. Burton brewers owned houses in the south of the region in 1892: Allsopps had five houses in Darlington and two in Stockton, whilst James Eadie had six houses in Middlesbrough and seems to have had a close connection with the area, contributing £12,000 towards the cost of erecting an institute for the use of inhabitants of Grangetown. By 1912 in Newcastle, eight different Scottish brewers and three Burton brewers owned public houses.¹¹⁶

As well as the piecemeal approach to the purchase of public house property of which the above is the product, the takeover by two Scottish brewers of North East-based firms immediately gave outsiders control of significant local tied estates. Arrol’s incorporation with Meikle’s and Turnbull’s businesses gave them over 40 licensed properties on Tyneside, and the subsequent acquisition of Dover & Newsome Baxter provided a further 40. The takeover of R. Fenwick and Fenwick & Co. of Chest er-le-Street provided Youngers with control of at least one hundred North East houses.¹¹⁷

The loan-tie system practised by Scottish brewers in their homeland was introduced in the North East on a very limited scale. Robt. Younger of Edinburgh made a small number of loans to Tyneside publicans and Wm. Younger lent to a Stockton public house in 1890 and had arranged a few more by the early 1900s.¹¹⁸ Donnachie’s analysis of Wm. Younger’s loans ledgers led him to conclude that

the firm does not seem to have begun any serious assault on retail outlets in the north of England until 1910. At that date Younger had fourteen pubs there, including seven in Sunderland, two in Stockton and two in West Hartlepool.¹¹⁹

An alternative method by which an outside brewer could protect sales in the region was to make formal arrangements with an indigenous brewer, thereby ensuring access to the market via another’s tied trade. This could obviously be to their mutual benefit with the local brewer acting as agent for the outsider who could supply non-competing specialities. The closest collaboration of this kind was Wm. Younger’s relationship with W.B. Reid of Newcastle, which became considerably closer on the incorporation of the latter in 1892. Before that flotation, W.B. Reid’s Leazes Brewery held the agency of Wm. Younger for Northumberland and the north division of Durham. Licensing registers suggest that Younger briefly held at least some of the houses of the old Tyne Brewery Co. but on flotation of W.B. Reid the old W.B. Reid & Co., the family wine and spirit business of Reid Bros., the Tyne Brewery Co. houses and the Younger’s agency were amalgamated.¹²⁰ At this stage Wm. Younger became actively and closely involved. A.L. Bruce, deputy chairman of Wm. Younger, became vice-chairman of W.B. Reid & Co., and H.G. Younger, a director of Wm. Younger, joined the Reid board. A profile of A.L. Bruce records that

he had (a) good head for legal and financial affairs and it was he who negotiated the conversion of W.R. Reid & Co. into a limited liability company. Part of the agreement was the control of the Tyneside houses and the transfer of a substantial shareholding to Wm. Younger.¹²¹

The same sort of collaboration arose on the flotation in 1893 of W.A. Falconar & Co. Ltd., of the Howdon Brewery. The prospectus announced that Blair & Co. of Alloa had recently appointed Falconar’s as sole agents in Northumberland and Durham, and that J.H. Thorburn, managing director of Blair’s, was to join the board without enjoying executive control.¹²² Other arrangements were made by local brewers: for example, shortly after formation the Newcastle Breweries negotiated contracts with Bass for a discount of 20% if trade exceeded £10,000 per annum and McEwans who offered large bonuses if sales reached £14,000 gross in the year.¹²³ In 1901 Robt. Deuchar signed an agreement

'relating to certain conditions between the company and Sam. Allsopp'.¹²⁴ Outside brewers were clearly keen to avoid being squeezed out of the increasingly tied North East market. Archibald Campbell of Edinburgh announced in a Tyne-side newspaper in 1894 that they were 'desirous of forming agreements with Newcastle firms for supplying Edinburgh mild and pale ales to houses under their control'.¹²⁵

In 1897 two different initiatives were taken by Edinburgh brewers to consolidate their trade in the North East. The Edinburgh United Breweries appointed to its board A.H. Higginbottom, a Tyneside-based wine and spirit merchant and licensed property owner. The company felt they 'needed for Newcastle and the North of England a good technical adviser to help them in connection with the granting of loans'.¹²⁶ Whilst the brewery's policy had been one of 'granting assistance to customers', Higginbottom spoke at the firms annual meeting of the keen competition in the north and the possibility of having to reverse their policy and purchase houses.¹²⁷ Also in 1897 T. & J. Bernard of Edinburgh set up a subsidiary, Grainger & Co., with their Newcastle agent and manager as the first two directors. The nominal capital of the company was £20,000 in £5 shares and its purpose was to build up a connection in the North East. The Newcastle Bankruptcy Court was told in 1903 that the business consisted of supplying and owning public houses but that licenses had subsequently been lost at Newcastle, Sunderland and South Shields. In addition, the mortgagees had repossessed another public house. An attempt to wind up the company voluntarily failed and a supervision order was made on the company which had only £1,260 paid up capital.¹²⁸

Summary

The period 1891-1914 was one of concentration of ownership and production in the industry, accompanied by the emergence of the public limited company. In the North East the number of brewers more than halved in the twenty-three year period. This overall loss, representing some 41 firms, was due partly to the decisions of 18 to cease brewing and more particularly to a series of amalgamations and takeovers which accounted for the loss of an independent identity for the remainder. This concentration of ownership was followed, for the most part, by a rationalisation programme which closed production facilities and ended brewing at a number of rural and small town locations. In addition, the remodelling and extension of surviving breweries embraced other growing activities, especially bottling. One by-product of this process of incorporation and absorption was the development of some closer ties between North East firms and Scottish brewing.

Concentration of ownership in brewing also produced a more concentrated structure of control in the retail sector. Additional purchases of licensed properties, after amalgamation and takeover, contributed to the amassing of some significant tied estates by many of the brewers left by 1914.

References

Chapter 3

1. For example, in 1872 J. Rees, the local agent for the Burton beers of Allsopp and Bass was advertising daily deliveries to all parts of Newcastle and Gateshead (*Newcastle Daily Journal*, 12 November 1872). Similarly, in 1877, A. Laing, agent for Jeffrey & Co. of Edinburgh, delivered free by his own wagons to all the principal towns and villages in neighbourhood" (*Newcastle Daily Journal*, 7 March 1877).
2. For example, F.M. Laing, who had originally operated single-handedly over a large area of Northern England, recruited a representative for south Durham and Yorkshire in 1878 (*Newcastle Daily Journal*, 9 February 1878). J. Shorthose, Bass's agent, was expected to cover a 20 mile radius (*Newcastle Daily Journal*, 29 December 1894). In 1882 an Edinburgh brewer advertised for a traveller to represent him in 'Newcastle and fifty miles around' (*Newcastle Daily Journal*, 10 June 1882). Whilst the sizes of most territories are not documented, outside brewers advertised from time to time for representatives in such areas as Newcastle & District, Stockton & District and the Middlesbrough District (*Newcastle Daily Journal*, 5 July 1872, 14 July 1875 and 3 March 1880). When it came to 'new ground', one brewer advertising for a traveller to open up new ground in Newcastle, Tyneside and Sunderland indicated that the person appointed would be employed in "a made round" in another district part of the time (*Newcastle Daily Journal*, 30 September 1882).
3. See, for example, recruitment advertisements in *Newcastle Daily Journal*, 8 May 1875, 6 November 1875, 21 November 1876, 17 February 1877, 8 August 1877, 25 January 1879 & 5 January 1881.
4. For Bass's national system see Barnard, A. (1889) *The Noted Breweries of Great Britain and Ireland*. Vol. 1. London: Joseph Causton, p.118. Information on the company's North East business was supplied by the Bass Archive.
5. *Brewers' Guardian*, 11 March 1884.
6. *Newcastle Daily Journal*, 11 December 1875.
7. For Wm. Younger see Donnachie, I. (1979) *A History of the Brewing Industry in Scotland*. Edinburgh: John Donald, Table 76, p.217. Prospectus of Edinburgh United Breweries Ltd., (*Newcastle Daily Journal*, 18 December 1889) states, for example, that G. Ritchie & Sons had a 'large trade done with the North of England' with 'principal agencies in Newcastle and Sunderland'.
8. *Newcastle Courant*, 9 April 1881.

9. For example, Knox, D.M. (1956) *The Development of the London Brewing Industry, 1830-1914 with special reference to Whitbread and Company*, Unpub. M.Litt. Thesis, Oxford University, p.81 refers to 'the scramble for tied houses'; Baxter, J. (1945) *The Organisation of the Brewing Industry*, Unpub. Ph.D Thesis, London University, p.75 refers to the 'scramble for licenced houses'; Vaizey, J.E. (1960) *The Brewing Industry, 1886-1952*. London: Pitman, p.10 refers to 'the scramble for licensed property'; Corran, H. (1975) *A History of Brewing*. London: David & Charles, p.220 refers to 'the scramble for outlets'; and Hawkins, K.H. and Pass, C.L. (1979) *The Brewing Industry. A Study in Industrial Organisation and Public Policy*. London: Heinemann, p.29 refer to the 'scramble for licensed property'.
10. *Royal Commission on Liquor Licensing Laws*, Final Report, 1899 (Cmd 9739) p.7.
11. Wilson, G.B. (1940) *Alcohol and the Nation*. London: Nicholson and Watson, p.84.
12. *Minutes of Evidence taken before the Royal Commission on Licensing (England & Wales) 1931* p.760.
13. Durham City Lic Reg DCRO PS/Du/29
14. Return of(1) the Number of On-Licences in each Licensing District where the Tenant and Owner on the Register are Different Persons; and (2) the Number of Persons in Each District, and the Names of such Persons who are on the Register as Owners of two or more etc. 16 June 1892.
15. Hawkins, K.H. and Pass, C.L. (1979) op. cit. p.25.
16. After the successful flotation of Guinness in 1886, other brewers were incorporated. The *Brewers' Guardian* estimated the number of brewers forming limited companies to be 36 in 1887 and 80 in 1888 (*Brewers' Guardian*, 10 July 1888 & 8 January 1889). The first incorporation in the North East was that of Barras & Co. in 1889 but many others did not take place until the mid-1890s.
17. Newcastle Lic Reg TWAS/MG/Nc/9/1~ & 10/1-3 and S Easington Lic Reg DCRO PS/CE 27.
18. Apart from one property in Gateshead, all Sutter's houses were in the same area of Westgate Hill, Newcastle (*Newcastle Daily Journal*, 1 November 1879). For the Ferry Brewery see *Newcastle Daily Journal*, 25 November 1882 and for Fenwick's see Mid Chester Lic Reg DCRO PS/La 79.
19. For the Allendale Brewery, for example, a tied estate of 11 houses meant 3 in Allendale town and another in nearby Catton, plus 3 in Weardale, 3 in the Tyne Valley and 1 in Alston (*Newcastle Daily Journal*, 29 October 1884).
20. Newcastle Lic Reg TWAS MG/Nc/9/1-4 & 10/1-3.
21. List of No. 2, Blyth Section, Morpeth Division, Licences Houses (NCRO PS5/119). The list is undated but appears to have been prepared for the licensing justices in the early 1890s. It includes references to Newcastle Breweries which began life in 1890 and Reid Bros. which ceased to exist in 1891 when it became part of W.B. Reid.
22. In 1888, J.H. Graham owned 8 properties in Newcastle whilst F.M. Laing and J. Robinson each owned 6 properties. At that time only six brewers held 6 or more properties (Newcastle Lic Reg TWAS MG/Nc/9/1-4 & 10/1-3).
23. see Donnachie, I. (1979) op. cit. pp.212-3 & Knox, D.M. (1956) op. cit. pp.73-87.
24. *Newcastle Daily Journal*, 15 December 1877.
25. WAB Min 1 DCRO D/WAB/2.
26. *ibid.*
27. *ibid.*
28. The company took out a five year lease on the property of Thos. Metcalfe, wine and spirit merchant, of Bishop Auckland. In 1878 negotiations had taken place with the intention of buying the business of Matthew Morgan, wine merchants of Bishop Auckland, but a deal was never concluded. (WAB Min 1 DCRO D/WAB/2).
29. In 1879, for example, the company raised .£3,700 on mortgages on five properties at 5%. Money was borrowed in a similar manner on other occasions. In 1884 the company raised £13,000 from a building society on a mortgage of 17 properties (WAB Min 1 DCRO D/WAB/2).
30. WAB Min 1 DCRO D/WAB/2.
31. See Chapter 2.
32. *ibid.*
33. For the Swalwell Brewery see *Brewer's Guardian*, 15 January 1884 and for the Border Brewery see D.A. Berwick (1894) p.4.
34. For Robinson Bros. see D.A. Durham, pp.46-47. Of the proprietors of the Chester-le-Street Brewery, two lived in the south of England and the third was the MP for the Houghton-le-Spring division. The manager, therefore, who was resident at the brewery, had a prime role in directing operations. The brewery also had the same brewer for fifty years (*Brewers' Guardian*, 2 September 1890). Before moving north, Nixey had previously worked at Phillips' Mortlake Brewery and breweries at Tiverton and Henley, whilst Coleclough had a long connection with Allsopp's of Burton (*South Durham Herald*, 20 August 1881 & 15 November 1890).
35. *Newcastle Daily Journal*, 17 December 1889.
36. See Chapter 1.
37. *Newcastle Daily Journal*, 4 April 1910 and D.A. Newcastle (1894) p.107.
38. *Journal of the Institute of Brewing*, 1918, p.235; *Brewers' Guardian*, 19 April 1887 and Barras Min TWAS 1463/2.
39. Lectures were also given at the Universities of Glasgow, Liverpool, Manchester and Nottingham, although most of the candidates for the City and Guilds Institutes examinations came from University College (see *Brewers' Guardian*, 27 July 1886).
40. WAB Min 1 DCRO D/WAB/2.
41. *Engineering*, 19 April 1889.
42. WAB Min 1 DCRO D/WAB/2
43. *Newcastle Daily Journal*, 24 November 1887.
44. Lovibond, T.W. (1889) 'The Brewing Trade of the Tyne' in British Association, *Handbook to the Industries of Newcastle District*. (Newcastle) pp.227-32.
45. *ibid.*
46. *ibid.* As late as 1882, Barras & Co. had advertised themselves as "brewers of the celebrated mild ales" with no reference to other products (*Ward's* 1881).

Chapter 4

1. Ret of Brew Lie for 1870, 1890 & 1914.
2. Ret of Brew Lie for 1890-1914.
3. Newc B Prospectus 1890 TWAS 2319/5 and Newc B Min 1 & 2 TWAS 1463/6 & 7.
4. North Eastern Breweries Ltd., Prospectus, 1896 (*Newcastle Daily Chronicle*, 8 December 1896) and *Brewing Trade Review*, 1 April 1899.
5. *Breweries and Distilleries*, 20 June 1891; J.W. Cameron & Co. Ltd., Prospectus, 1896 (*Newcastle Daily Chronicle*, 3 June 1896); J.W. Cameron & Co. Ltd., Prospectus, 1897 (*Newcastle Daily Chronicle*, 7 December 1897) and *Ports on the Tees* (1900) p.196.
6. John Rowell & Son Ltd., Prospectus, 1896 (*Newcastle Daily Chronicle*, 30 July 1896). The Swalwell Brewery was dismantled in 1901 (*Newcastle Daily Journal*, 31 April 1901). No contemporary accounts mentioned John Rowell but a brief history in the *Official Handbook of the Gateshead Corporation* (1951) p.37, states that 'Messrs M. Taylor & Co., Brewers of Swalwell, with their licensed houses were acquired'. It is known that 8 licensed properties changed ownership from the Swalwell Brewery to Rowell's c.1901 (Blaydon Lie Reg TWAS MG/B1/4/2).
7. For Hopper & Anderson see *Morpeth Herald*, 18 August 1890 and 17 November 1900; for Heslop and Lamb see *Brewing Trade Review*, 1 January 1910 and 1 March 1909; for Belford Brewery see Barber, N. (1981) *Where Have All the Breweries Gone?* Swinton: Neil Richardson, p.30; and for the Westoe Brewery see *Newcastle Daily Journal*, 24 May 1907 and Letter dated 14 April 1907 in North Eastern Breweries. Correspondence of Thos. Humphrey DCRO D/Va 177. Information on Nimmo's was provided by the Whitbread Archive.
8. Archibald Arrol & Sons Ltd., Prospectus, 1895 (*Newcastle Daily Chronicle*, 25 May 1895); *Brewing Trade Review*, 1 September 1898; *Newcastle Daily Journal*, 26 February 1895 and 27 July 1895; *Dover & Newsome Baxter*, Prospectus, 1897 (*Newcastle Daily Chronicle*, 29 July 1897) and McMaster, C. (1895) *Alloa Ale. A History of the Brewing Industry in Alloa*. Edinburgh: Alloa Brewery, p.16.
9. For Wardle and Lamb see *Newcastle Daily Journal*, 7 February 1905 and 30 May 1905; for Sutter and Wilkinson see *Newcastle Daily Journal*, 2 February 1899, 10 January 1906 and 7 June 1906; for Munnoch see *Newcastle Daily Journal*, 17 November 1891 and 27 February 1892; and for Openshaw see *Brewers' Guardian*, 17 February 1891.
10. For sales notices see *Newcastle Daily Journal*, 18 January 1890, 10 May 1890, 31 May 1890, 1 November 1890, 8 April 1893 and 17 August 1895 and *Brewers' Guardian*, 24 October 1893.
11. Sale Notice for Mawson's Properties DCRO D/III/2/10/740 and Report on Sale of Mawson's Properties DCItO D/HH/2/10/837.
12. *Brewing Trade Review*, 1 June 1905.
13. *Brewing Trade Review*, 1 November 1899, 1 October 1898 and 1 August 1918 and *Newcastle Daily Journal*, 25 November 1891 and 29 November 1913.
14. *Brewers' Almanack and Wine and Spirit Trade Annual* 1914.
15. Stopes, H. (1895) *Brewery Companies*. London: 'The Statist' Office, p.21.
16. When national output and material usages are expressed as index numbers (see below), there appears to be a reasonably close relationship between inputs and outputs. However, calculations made by Stopes, H. (1895) op. cit. p.9 show productivity variations between the two largest brewers in 1892-3 (Bass and Guinness) who brewed 152.6 gallons of product per quarter of malt, and the smallest group of brewers who produced 138.2 gallons. This difference is attributed to 'slightly inferior materials used, less knowledge of the business, and defective or insufficient machinery' on the part of the smallest. If the assumption for North East brewers of increased materials meaning increased output is accepted, it may actually be the case that increased productivity also took place, since most firms were in the lower categories of Stopes' analysis and then progressed through amalgamation and takeover to larger groups (see table over).
17. Ret of Brew Lic 1890-1914.
18. *Breweries and Distilleries*, 30 August 1890.
19. Cottrell, P.L. (1983) *Industrial Finance, 1830-1914. The Finance and Organisation of English Manufacturing Industry*. London: Methuen, p.169.
20. *ibid.*, p.169.
21. *Brewers' Weekly*, 29 March 1900.
22. *Newcastle Daily Journal*, 31 December 1890.
23. North Eastern Breweries Ltd., Prospectus, 1896.
24. Nixey, Coleclough & Baxter Ltd., Prospectus, 1890 (*South Durham Herald*, 26 July 1890); W.B. Reid & Co. Ltd., Prospectus, 1891 (*Newcastle Daily Chronicle*, 12 April 1891); Simson & McPherson Ltd., Prospectus, 1896 (*Newcastle Daily Chronicle*, 8 December 1896) and Dover & Newsome & Baxter, Prospectus, 1897. Amongst other companies which absorbed firms engaged in other branches of the trade were John Rowell who took over Gilpin & Co. (aerated water manufacturers and ale, porter and cork merchants) and 18 houses of J.M. Bruce, licensed victualler, in 1896 (John Rowell & Son Ltd., Prospectus, 1896). Jas. Deuchar acquired the 'well-known business of aerated water manufacture carried on by Robt Emmerson and several freehold and copyhold public houses' in 1900 (James Deuchar Ltd., Prospectus, 1900 [*Newcastle Daily Chronicle*, 26 April 1900]). Newcastle Breweries bought the houses, via Northern Breweries Corporation, of J. Routledge in 1896 (*Newcastle Daily Chronicle*, 30 December 1896).
25. See Hannah, L. (1976) *The Rise of the Corporate Economy*. London: Methuen, pp.21-4.
26. O'Hagan, H.O. (1929) *Leaves from my Life*, Vol. 1. London: John Lane .240 (London 1929).
27. *Breweries and Distilleries*, 15 March 1890.
28. *Statist*, 17 April 1909.
29. Cottrell, P.L. (1983) op. cit. p.166.
30. Newc B Min 1 TWAS 1463-6.
31. Macrosty, H.W. (1907) *The Trust Movement in British Industry. A Study of Business Organisation*. London: Longmans, Green p.241.

Year	Production	Materials	Year	Production	Materials
1890	100	100	1903	116.5	119.0
1891	103.2	101.1	1904	114.2	116.9
1892	104.2	102.4	1905	111.3	113.4
1893	103.9	102.8	1906	110.4	113.7
1894	104.2	101.4	1907	111.3	113.8
1895	102.6	102.8	1908	111.7	112.0
1896	109.6	108.1	1909	107.8	109.3
1897	110.7	112.7	1910	106.5	109.8
1898	115.2	117.0	1911	108.7	113.0
1899	118.1	123.4	1912	113.6	113.6
1900	120.1	122.6	1913	112.6	117.1
1901	117.8	121.1	1914	116.2	117.3
1902	116.5	120.4			

Index of beer production and materials used in England and Wales 1890-1914 Source.
Based upon Mitchell, B.R., Deane, P. *Abstract of British Historical Statistics* (Cambridge 1971) p.253 and Ret of Brew Lic 1890-1914.

32. *Stock Exchange Official Intelligence*, 1914.

33. Cottrell, P.L. (1983) op. cit., p.164.

34. *The Alliance Yearbook*, 1917, p.71.

35. For example, the 1902 Prospectus for W.B. Reid & Co. Ltd. (*Newcastle Daily Chronicle*, 3 November 1902) said that the capital was being raised for the purpose of 'discharging mortgages on properties ..., for meeting requirements of the extended trade and for further extending the business of the company'.

36. In 1903 the courts confirmed a resolution passed by Dover & Newsome Baxter Ltd., for a reduction of capital. Losses to the extent of £25,000 on valuation of properties had been found and it was proposed to write this off by reducing the 5,000 ordinary shares from £10 to £5 each (*Brewing Trade Review*, 1 June 1903). For the Deuchars' changes see Robert Deuchar Ltd., Prospectus, 1900 (*Newcastle Daily Chronicle*, 26 November 1900) and James Deuchar Ltd., Prospectus, 1898 (*Newcastle Daily Chronicle*, 7 October 1898).

37. Newc B Min 1 TWAS 1463/6 and Rowell Min 3 'PWAS 2319/2/1.

38. Archibald Arrol and Sons, Prospectus, 1895; Archibald Arrol & Sons, Prospectus, 1899 (*Newcastle Daily Chronicle*, 1 August 1899) and Donnachie, I. (1979) op. cit. p.173.

39. *Brewing Trade Review*, 1 February 1909.

40. McMaster, C. (1895) op. cit. p.16.

41. *Brewing Trade Review*, 1 September 1898.

42. McMaster, C. (1895) op. cit. p.54.

43. Robert Deuchar Ltd., Prospectus, 1900 and *Scotsman*, 26 July 1899 and 27 July 1899.

44. Simson & McPherson Ltd., Prospectus, 1896; R. Deuchar Min

1 TWAS 2336/27/1 and Jamieson, J. (1905) *Northumberland at the Opening of the Twentieth Century*. Brighton: W.T. Pike, p.251.

45. McMaster, C. (1990/91) 'Robert Deuchar Ltd.', in *Scottish Brewing Archive Newsletter* No. 18, Winter.

46. Jas. Deuchar Ltd., Prospectus, 1S)00.

47. *Brewing Trade Review*, 1 February 1905.

48. Bord B Min SBA BB1.

49. Bord B Min SBA BB1

50. *Newcastle Daily Journal*, 14 January 1899 and *Sunderland Daily Echo*, 27 December 1899.

51. See Baker, J.L. (1905) *The Brewing Industry*. London: Methuen and Co., p.67 and *Brewing Trade Review*, 1 August 1906.

52. *DA Hartlepoons* (1894) p.31 and *Ports on the Tees* (1900) p.196.

53. *Financial Times*, 30 December 1891, Newc B Ann Rep 1895 and 1914 TWAS 1463/125-172, *Builder*, 11 January 1902 and 15 January 1898 and Newc B GM Cuttings TWAS 2139/5.

54. *Sunderland Daily Echo*, 29 December 1897, *Brewing Trade Review*, 1 January 1903, *Newcastle Daily Chronicle*, 30 December 1903 and *Newcastle Daily Journal*, 3 May 1890 and 28 December 1900.

55. *Darlington and Stockton Times*, 13 October 1894 and *Builder*, 20 October 1894.

56. For Robinson Bros. see *Durham County Advertiser*, 8 October 1909 and *Brewing Trade Review*, 1 September 1910 and 1 November 1910; for Forster's see *Durham Count Advertiser*, 22 December 1899; and for Wilkinson see *Newcastle Daily Leader*, 29 May 1903, *Newcastle Daily Journal*, 21 January 1907 and *Brewing Trade Review*, 1 July 1903.

57. For Fenwick's see *Brewers' Guardian*, 23 September 1894; for W.B. Reid see *Newcastle Daily Journal*, 26 December 1899; for

Cameron's see Wood, R. (1963) *The Lion Brewery: A Short History*. West Hartlepool: J.W. Cameron, p.29; for Clayhills' see Darlington Planning Application DC1t0 Da/NG/2/2608; and for Rowell's see Rowe Min 3 TWAS 2319/2/1.

58. For Nimmo's see Clayton-Gibson (Solicitors) Correspondence DCRI D/CG5/1323; for estimates on the usage of water in brewing see Baker, J.L. (1905) op. cit. p.61; for Warwick's see *Breweries and Distilleries*, 24 January 1891; and for the Border Brewery see Bord B Min SBA BB1.

59. Rowell Min 3 TWAS 2319/2/1. See also Border B Min SBA BB1, Newcastle Daily Journal 1.1.1903 an Newc B Priv Led TWAS 2336/2/1.

60. For Rowell's see Rowell Min 3 TWAS 2319/2/1; for Cameron's see *Brewing Trade Review*, 1 January 1901 and Wood, R. (1963) op. cit. p.29; for West Auckland Brewery see WAB Min 2 DCRO D/WAB/3; and for Newcastle Breweries see Newc Priv Led TWAS 2336/2/1.

61. See, for example, Darlington Planning Application DCRO Da/NG/2/215 Bord B Min SBA BB1, Rowell Min 3 TWAS 23129/2/1 and WAB Min DCRO D/WAR/2.

62. *Brewing Trade Review*, 1 July 1900.

63. For Newcastle Breweries see *Financial Times*, 30 December 1892 and *Newcastle Daily Journal*, 27 August 1902; and for Fenwick's see R. Fenwick & Co. Ltd., Prospectus 1896 (*Newcastle Chronicle*, 17 November 1896).

64. *Brewing Trade Review*, 1 January 1910.

65, *ibid.* 1 April 1914.

66. Wilson, G.B. (1940) op. cit. p.63 states that 'The malting trade, like the brewing trade, has undergone a steady process of rationalisation during the last one hundred years. In 1800, 9,063 maltsters' licences were taken out in England and Scotland; but in 1880, 3,835 only were taken out for the whole of the United Kingdom. There is little information available as to the modern conditions in the malting trade, but the process rationalisation appears still to be in progress'.

67. In 1904, Baird & Co. of Glasgow was using the maltings of St. John Sunderland and J.P. Simpson of Alnwick was occupying the maltings of Plews & Sons, Darlington. (*Brewing Trade Review*, 1 February 1904 and 1 July 1909).

68. *Sunderland Daily Echo*, 28 December 1898.

69. Wood, R. (1963) op. cit. p.27 and *Brewing Trade Review*, 1 January 1901, 1 September 1908 and 1 November 1913.

70. *Builder*, 25 June 1898.

71. See, for example, Bord B Min SBA BB1 and WAB Min 2 DCRO D/WAB/3.

72. In the 1890s an average of 42,000 gallons of mineral waters annually came into the Tyne and in the first decade of the new century this approached 97,000 gallons per year (*Tyne Improvement Commission Accounts 1890-1910*).

73. For Fenwick's and North Eastern Breweries see *Sunderland Daily Echo*, 29 December 1897 and 28 December 1898; for Cameron's see Wood, R. (1963) op. cit. p.28; for W.B. Reid see *Newcastle Daily Journal*, 26 December 1899; for West Auckland

Brewery WAB Min 2 DCRO ll/yWAB/3; and for Alnwick Brewery see *Newcastle Daily Journal*, 23 November 1895 and *Brewing Trade Review*, 1 January 1906.

74. *Brewing Trade Review*, 1 January 1906. *Brewing Trade Review*, 1 September 1914 stated that 'the method adopted for carbonating beer is undoubtedly due to the influence of the aerated water trade'.

75. For discussion of the original misgivings of brewers about bottling see Baker, J.L. (1905) op. cit. pp.123-4. *Brewing Trade Review*, 1 January 1905 reported that 'it is but a few years ago that the majority of brewers in this country were entirely averse from any new departure of the kind, the general contention being that it entailed an immense amount of extra trouble which would in no way be repaid by the increase of profit'. Estimated labour costs of bottling were given in a paper entitled 'The Carbonisation of Beer in Bottle', presented in Newcastle on 14 December 1900 and reprinted in the *Journal of the Federated Institute of Brewing* Vol III, 1902, p.297-312.

76. For Cameron's and Vaux see Wood, R. (1963) op. cit. p.28 and *Brewing Trade Review*, 1 November 1907. Estimates of the cost of breakages were given in *Journal of Federated Institute of Brewing* Vol III, (1902), pp.297-312. In 1913 17 bottlers were summoned to a meeting at Rowell's and action was threatened against them for the high number of breakages (Rowell Min 3 TWAS 2319-2/1). For North Eastern Breweries' concern see *Newcastle Daily Chronicle*, 28 December 1899.

77. *IG Sunderland* (1898) p.80.

78. For Cameron's see J.W. Cameron & Co. Ltd., Prospectus, 1894 (*Newcastle Daily Chronicle*, 1 December 1894) and Wood, R. (1963) op. cit. p.28; and for North Eastern Breweries see North Eastern Breweries Ltd., Prospectus, 1896 and *Brewing Trade Review*, 1 June 1899.

79. Wilson, G.B. (1940) op. cit. p.85; *Royal Commission on Liquor Licensing Laws*, Final Report 1899 Cmnd 9379 p.7; *Brewers' Journal* quoted in Greenwood, A. (1920) *Public Ownership of the Liquor Trade*. London: Pearsons, p.70 and Pratt, E.A. (1907) *The Licensed Trade*. London: John Murray, p.92.

80. For Newcastle Breweries see Newc B Min 1 TWAS 1463/6; for Rowell's see Rowell Min 3 TWAS 2319/2/1; for Jas. Deuchar see Pearson, L.F. (1989) *The Northumbrian Pub*. Morpeth: Sandhill, p.79; for Border Brewery see *Brewing Trade Review*, 1 February 1905; and for W.B. Reid *Newcastle Daily Journal*, 13 February 1906.

81. Newc B Min 1 TWAS 1463/6 and R. Deuchar Min 1 TWAS 2336/27/1.

82. Rowell Min 3 TWAS 2319/2/1.

83. *Statist*, 19 January 1907.

84. *Statist*, 13 June 1903.

85. *Royal Commission on Liquor Licensing Laws*, Third Report 1898 (Cmnd 8693/4), S.B. Burton's Evidence p.102.

86. *Royal Commission on Liquor Licensing Laws*, First Report 1897 (Cmnd 8355/6), J.C. Roberts' Evidence p.303.

87. *Newcastle Daily Journal*, 15 August 1901.

88. For 1901 purchases see *Newcastle Daily Journal*, 25 April

- 1901, 5 July 1901 and 10 July 1901; for the Castle Brewery auction see *Brewers' Guardian*, 10 September 1904; and for the view on property prices see *Newcastle Daily Journal*, 31 January 1905.
89. *Statist*, 19 January 1907.
90. *ibid.* 5 October 1912.
91. Deed of Partition of the Grainger Estate (Town Property), 13 April 1901 (Newcastle City Library) and *Newcastle Daily Journal*, 15 February 1900.
92. Newc B Properties 1914 TWAS 1463/276.
93. *Financial Times*, 30 December 1891.
94. North B Corp Ann Rep 1899 TWAS 1463/324-445 and *Newcastle Daily Chronicle*, 1 February 1902.
95. *Brewers' Guardian*, 25 December 1900 and *Brewing Trade Review*, 1 June 1908.
96. Rowell Min 3 TWAS 2319/2/1.
97. Newc B Ann Rep 1892-1910 TWAS 1463/125-172.
98. see WAB Min 2 DCRO D/WAB/3.
99. Bord B Min SBA BB1.
100. WAB Min 2 DCRO D/WAB/3.
101. *Royal Commission on Liquor Licensing Laws*, Third Report 1898 (Cmnd 8693/4), Lovibond's evidence p.367.
102. For Newcastle Breweries see Newc B Contracts 1890 TWA 1463/106 and *Royal Commission on Liquor Licensing Laws*, Third Report 1898 (Cmnd 8693/4), Lovibond's Evidence p.367; for North Eastern Breweries see NEB Properties c1910 DCRO Va/72; and for Valuation of property, stock lists, list of tenancies, and other papers on takeover of W.J. Sanderson and John Sanderson 1896. TWAS 1463/273.
103. Hawkins, K.H. and Pass, C.L. (1979) *op. cit.* p.35 state that the 'independent publican was replaced in the main by a tied tenant, and to a much lesser extent by managers'.
104. *Royal Commission on Liquor Licensing Laws*, Third Report 1898 (Cmnd 8693/4), Appendix IX, Report of Country Brewers' Society on Customs of the Brewery Trade in the two Counties of Northumberland and Durham.
105. *Royal Commission on Liquor Licensing Laws*, Third Report 1898 (Cmnd 8693/4), Lovibond's Evidence p.367.
106. WAB Min 2 DCRO D/WAB/3.
107. *Royal Commission on Liquor Licensing Laws*, Third Report 1898 (Cmnd 8693/4) J.R. Roberts' Evidence p.303 and Lovibond's Evidence p.371.
108. as 104.
109. Pratt, E.A. (1907) *op. cit.* p.100.
110. as 104
111. Pratt, E.A. (1907) *op. cit.* p.101.
112. 1892 Ret of On Lic.
113. Durham County Lic Reg IICRO PS/Du 50.
114. Mid Chester Lic Reg DCRO YS/CS 42.
115. Wards 1915 and Newcastle Lic Reg TWAS MG/Nc/9/1-4 & 10/1-3.
116. McMaster, C. (1895) *op. cit.* pp.32, 47, 53; Donnachie, I. (1979) *op. cit.* pp.169, 175; 1892 Ret of On Lic; Newcastle Lic Reg TWAS MG/Nc/9/1-11 and 10/1-3; Tadcaster Tower Brewery Co., Prospectus, 1894 (*Newcastle Daily Chronicle*, 9 June 1894); and *Brewers' Guardian*, 14 May 1889.
117. For Arrol's see Archibald Arrol & Sons Ltd., Prospectus, 1895 and Donnachie, I. (1979) *op. cit.* p.173. The 1892 Ret of On Lic shows Fenwick & Co. of Chester-le-Street owning at least 38 houses and the R. Fenwick & Co. Ltd., Prospectus, 1896 has the company owning 63 houses and agreeing to buy another 7.
118. Donnachie, I. (1979) *op. cit.* p.196.
119. *ibid.* p.176.
120. W.B. Reid, Prospectus, 1891.
121. Donnachie, I. (1984) 'Men of Brewing : Alexander Low Bruce', *Scottish Brewing Archive Newsletter*, No. 3, Spring.
122. W.A. Falconar & Co. Ltd., Prospectus, 1893 (*Newcastle Daily Chronicle*, 7 March 1893).
123. Newc B Min 1 TWAS 1963/6.
124. R Deuchar Min 1 TWAS 2336/27/1.
125. *Newcastle Daily Journal*, 22 December 1894.
126. *ibid.* 25 December 1897.
127. *ibid.*
128. *ibid.* 9 March 1897, *Newcastle Daily Journal*, 20 March 1903, and *Brewing Trade Review*, 1 April 1903.