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

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Chapter 5: Competition, management and performance

Introduction

The 23 years preceding the outbreak of the First World War was a period which saw developments in the way brewers conducted their business. Alongside the structural and technical changes in the industry, firms found themselves operating in a more sophisticated competitive environment which demanded a more professional approach to management. The performance of brewing companies was also subject to much greater public scrutiny.

Competition

Consumption and Price Competition

The brewing industry's national market, measured in terms of aggregate beer consumption (Appendix 9), grew by 2.6% from 1890-95 and then by a further 17.0% from 1895-1900. In the second half of the decade, per capita consumption had also risen and served to reinforce the expansionary mood in which brewers operated. After 1900, however, the social and legislative environment began to change and brought serious implications for the brewers' competitive position. The market for beer, notwithstanding brief recoveries around 1906 and 1911-13, embarked upon a long-term decline. Total consumption in 1914 was down 5.3% on 1900 but, more significantly, per capita consumption fell by 15.5% in the same period.

What caused this fall in the demand for beer is a matter for debate, although the temperance movement naturally claimed responsibility. Dingle, however, identifies two main economic influences at work. Firstly, from the 1880s drink became 'more expensive relative to an increasingly wide range of consumer goods', and secondly,

> drink consumption per head rose when an increase in real wages came in response to rising money wages, as occurred in ... 1900, and to a minor extent around 1890 and 1910. But when real wages rose as a result of falling prices between 1880 and 1895, the level of drink consumption stagnated.[1]

It seems that in the period before 1900 brewers were essentially competing to retain custom when the inclination of the customers was to switch expenditure to the growing variety of other commodities, including food, which was becoming relatively cheaper. After 1900, with incomes stagnating, the brewer was faced with a public who preferred to maintain its consumption of the new commodities at the expense of drink. In the 1890s North East brewers had not only increased their market share by the acquisition of other firms and licensed property but had increased output. By 1900, however, falling consumption put great competitive pressure on them in the domestic market and the possibility of seeking markets outside the region was not one that they pursued to any great extent.[2]

Price had never been the basis upon which brewers competed with one another. One North East newspaper commented in 1900 that 'the price of beer, like the price of penny stamps and sixpenny pot pies, never varies at the long bar'.[3] Following the lead of the successful Burton, London and Scottish firms, local brewers regarded the reputation for the quality of their product as a more important element than price. For instance, when extra duties were imposed in 1900 and added around £4,000 to the costs of some of the North East's largest brewers, they resisted a reduction in the strength of their beer as a means of absorbing some of the extra cost.[4] Aware of the public suspicions on this matter and the competitive imperative of retaining their reputation, they regularly and publicly denied they were taking this course. They were also called upon to defend their reputations following the 'arsenical poisoning scare' of 1900 and some firms used annual meetings to reassure the public that North East drinkers were not at risk, whilst others specifically began

advertising their beers as being produced from only 'pure' ingredients.

By this stage, however, the brewers were unable to engage in price competition since profit margins ruled out price-cutting. Moreover, market conditions meant beer had already become relatively more expensive. Hawkins and Pass point out that:

> Unlike other industries, the fundamental problem facing the brewing industry was not one of imports or the entry of new products, but a fall in demand brought about by the changing pattern of social habits. Cost reduction was the only practical way of increasing margins.[5]

But while brewers avoided price competition, the hard-pressed retailer sometimes took initiatives to reduce the unit price to his customer. Landlords selling beer on draught were able, if they thought market circumstances warranted it, to practise the 'long pull' in which a larger measure of beer was given than the quantity paid for.

The influence of transport

Technical advances inside the brewery during the period 1891-1914 were thought to have had little influence on the structure of the industry.[6] But it was transport, in the form of the steam wagon and evolution of the petrol lorry, that had perhaps the greatest implications for the geographical structure, of the industry and the configuration of competition. The smaller brewer, particularly in the rural areas, was less exposed when the horse-drawn dray was the customary means of conveying beer between brewer and retailer. At that time, when beer was difficult and costly to transport far afield and was also likely to suffer in quality as a result, the product tended to be sold and consumed close to where it was produced. But once an effective method of carrying beer appreciable distances was available the larger brewer could then exploit the chance to enter the market area of other firms and saw it as worthwhile to acquire and supply tied houses in another's territory.

Steam-powered road vehicles were around on a small scale in the early nineteenth century but their development was checked by restrictive legislation until 1896. Before then, the only alternative to the horse-drawn dray was the railway network, but since this could involve considerable transfers - between brewery, railway stations, junctions, stores and consumers - the number of handlings could reach eight and the number of haulages four. This made rail transport a viable method for those brewers delivering over long distances to agencies or bottling stores, but left the horse as the only practical method of delivery within a reasonable radius of the brewery. At the end of the nineteenth century, for example, Vaux operated from Sunderland with three-in-hand teams pulling eight tons and travelling as far as Easington and Wingate.[7]

> 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]

When steam wagons appeared at the Liverpool Self-Propelled Traffic Association Trials of 1898 interest in them was revived. Being capable of carrying heavy loads over short or medium distances, the power-controlled dray was attractive to brewers. Calculations in 1900 put the annual cost for a horse-drawn dray to carry three tons at over £1,000, but the comparable cost of a steam dray carrying the same weight was less than half that figure. Steam wagons were adopted by brewers, although there was some caution about moving too quickly in anticipation of continuing improvements in design. Nevertheless, British industry in general had taken up the new wagons and, in the North East, Newcastle Breweries bought steam wagons in 1900 and 1902, and a steam lorry in 1903. Also at the turn of the century, Forster's of Bishop Middleham sent their beer to Ferryhill station and also collected malt etc. by traction engine with two wagons attached.[8]

It was certainly the bigger breweries that bought steam wagons, although it was felt in some quarters that it may have been for their promotional or advertising value as much as the material benefit that accrued from utilisation, and a more promising feature in the first decade of the twentieth century was the progress in the development of vehicles for carrying heavy loads. It was not until immediately before the First World War that steam and petrol wagons were taken up in numbers and the 1913 Commercial Motor Exhibition showed brewers amongst the most important buyers of heavy vehicles, by which time the petrol wagon was recognised as the most appropriate vehicle after a distance of 35 miles per day. The use of road transport by brewers had been given a boost by increased railway rates which coincided with advances in the reliability and durability of the petrol lorry. In the North East, in 1914, Rowell's ordered two Daimler 4 ton petrol lorries and a 5 ton steam wagon, and by now many of the more important brewers had the means of making deliveries on journeys too long for the horse to achieve in an acceptable time.[9] For the firms with the greater concentration of retail outlets the cost of new forms of trans-

portation, in terms of the cost of delivery per barrel, did not prove prohibitive.

So it was, that whilst all breweries maintained their stables for local deliveries, some were adopting new methods to break through the boundaries of their local market. It was not the brewing process so much as the distribution of the product that gave the bigger firms the competitive edge, allowing them to extend their markets and enjoying savings which served to weaken the competitive position of the already vulnerable small brewer.

Competition in retailing

It was in the area of the retail trade and the acquisition of public houses where the most obvious rivalry amongst brewers took place. Paradoxically, the reduction in 'free houses' through the increasing control by brewers of the retail market and the imposition of restrictive agreements oil tenants was actually a procedure by which the trade in many localities became more competitive. Hawkins and Pass conclude that:

> viewed in the context of the circumstances of the industry in the last quarter of the nineteenth century, ... the process must be looked upon somewhat differently. Given the fact that his competitors were buying up outlets, no brewer ... could afford not to do likewise if he were to survive. In this more general sense, forward integration, far from suppressing competition was essential to its continuance.[10]

There are dangers, of course, in generalising about competition, especially with regard to retail outlets like public houses whose trade conditions and competitive environment were particularly localised. Some of the contemporary press comment and the literature since has created the impression that the licensed property market was a single homogeneous one and that brewers were indiscriminate in the manner in which they bought public houses. The Times, for example, talked of "the reckless purchase of tied houses" by 'competitors, eager to grab trade' who 'simply tumbled over each other's heels in the scramble'.[11] What is clear from available North East evidence is the key role played by location in determining both the price and the extent of brewer interest in licensed property. A Newcastle builder and valuer illustrated the influence of the neighbourhood in 1897 thus:

> a house in a first class street, in one of the best business streets in town, the difference between that and an ordinary business house is not nearly so great as it would be in the locality of large engineering or other works. In Grainger Street, some of the houses would bring quite as much for ordinary business purposes as they would as licensed houses. There is no large amount of drinking going on in them... The ordinary brewer's beer is only sold in them to a small extent; but close to a large works or at a colliery village, such as Ashington, the brewer can send in his own drink, and that is largely consumed, so he can afford to pay a high price.[12]

Certainly, in the early 1890s when brewers were assiduously seeking property, they still exercised a caution which belies the impression given in the press. Shortly after flotation, Newcastle Breweries were offered two local brewery businesses, Turnbull's and Crosthwaite's with substantial tied estates, but which the company declined, as they did with an offer of certain properties from Rowell's. Again, in 1893, the company turned down the offer of sundry public houses from St. John of Sunderland and then refused another offer of an estate of several public houses and other properties from an unnamed brewer for £97,500.[13] Other North East brewers also exercised similar caution when buying houses during a period when the struggle between brewers for licensed property was at its height. Moreover, when the licensed market was in the doldrums, brewers were nevertheless prepared to pay well for a well-situated house. In 1907, for example, Nimmo's bought a property in Bowburn after 'spirited competition' aroused by the public house's proximity to a newly sunk pit shaft.[14]

A further flaw sometimes found in contemporary reporting on the licensed property market is the assumption that the purchase of licensed property by brewers equates with an increase in their control of the retail trade. In some cases purchase was not a new entry into the retail market but simply a legal nicety whereby a former leasehold was converted into a freehold. Under these circumstances the manner in which the property was conducted was unchanged and to suggest that the competitive structure of the trade had deteriorated is misleading.

The alteration and rebuilding of existing public houses, and the erection of new ones, was just as important a part of tile brewer's competitive strategy as the acquisition of freeholds and leaseholds. As the brewers exhausted the supply of available properties more emphasis was put on improving the standard of amenities to differentiate them from those of competitors. Information available from planning applications submitted to the Newcastle and Stockton authorities (Table 42) shows such activity coinciding with the boom years up to the late 1890s. An analysis carried out on tenders in the Builder confirm the increased building of licensed houses during the decade.[15] Table 43 shows the combined amounts appearing in the Newcastle Breweries annual reports for repairs, alterations etc. Teaching its height after the period of peak acquisition and also following the Compensation Act.

Year	Total number of applications	Year	Total number of applications
1890	48	1903	13
1891	51	1904	5
1892s	47	1905	8
1893	37	1906	5
1894	33	1907	4
1895	22	1908	3
1896	32	1909	1
1897	51	1910	5
1898	41	1911	1
1899	21	1912	7
1900	19	1913	11
1901	14	1914	5
1902	7		

Table 42. Planning applications for rebuilding, alterations and additions to licensed premises in Newcastle and Stockton 1890-1914. Source. City of Newcastle Planning Applications, Tyne & Wear Archives Service 186; Stockton Borough Planning Applications, Vol. 2, Cleveland County Archives.

Years	£
1890-4	28,759
1895-99	125,690
1900-04	220,826
1905-09	141,979
1910-14	103,744

Table 43. Spending by Newcastle Breweries Ltd. on repairs, alterations and improvements to public houses 1890-1914. Source. Amounts appearing in Newcastle Breweries Ltd. Annual Reports, 1890-1914, Tyne & Wear Archives Service 1463/125-172, for 'repairs and alterations to properties', 'special expenditure on fixtures and fittings in houses purchased' and 'expenditure on account of alterations and improvements to houses leased'.

Minute book entries show that most of Newcastle Breweries' and the Northern Corporation's acquisitions took place before the turn of the century, as did their rebuilding.[16] That is not to say that new building ceased after 1900: brewers remained willing to erect a new hotel or public house when realistic opportunities presented themselves. Robt. Deuchar bought building plots for three new houses in Newcastle between 1899 and 1902, and Jas. Deuchar, J. Turnbull, W.B. Reid and North Eastern Breweries all built new hotels.[17] By 1910, however, new buildings were rare and rebuilding had slowed down considerably. Alteration and extension, however, continued up until the outbreak of war. Plews, for example, altered six Darlington public houses in the period 19U0-1913.[18] The type of work requiring planning approval does not include the regular improvements that brewers were making to fabric and fittings. By 1910, for example, many of Rowell's public houses had been updated, had electricity installed and other features,

such as automatic pianos, were being introduced into some.[19]

The Compensation Act

By 1900 the brewer's main concern was the impetus given to the closure of licensed houses by magistrates. With anti-drink organisations advocating substantial reductions in licences there was much public controversy about the brewer's right to compensation when licence renewal was rejected. A majority on the Peel Commission supported the idea of compensation and its provision by the trade, although the 1902 Act which followed did nothing about compensation but fuelled the demands from opponents for big reductions in the number of licensed houses.[20] A much greater number of licences were refused at the brewster sessions of 1903 when, it was suggested, magistrates were 'aiming at not so much the enforcement of the laws already in existence as the carrying out of a policy of prohibition which legislation has not yet sanctioned'.[21] When what became the Compensation Act was introduced into Parliament in 1904 the brewing trade took the view that it was an honest attempt to solve a difficult question, with the Newcastle trade, for example, generally approving the measure and recognising that there had been little chance of getting anything better.[22] Nonetheless, there remained the real threat of the authorities closing houses and disrupting the structure of the brewers' retail trade. The abolition of redundant licences that followed the Act's introduction in 1905 numbered 539 in Northumberland and Durham in the period to 1914, equivalent to the loss of 13% of all on-licences issued in 1905.[23]

In the early years of the act there were many signs that the justices were determined to use their new powers. In 1905 Newcastle magistrates investigated areas of the city where they believed that the demolition of dwellings and replacement by warehousing and business premises had caused a shift in population, and, as a consequence, sixteen licensed premises said to be respectably managed were closed as being superfluous to the requirements of the neighbourhood. In 1906 a further 21 licenses were refused in Newcastle and another eighteen in 1907. Other districts in the North East followed corresponding patterns: in 1907 Tynemouth lost seven licences on grounds of redundancy and at Sunderland twenty-one alehouses and thirteen beerhouses were extinguished.[24] Most North East brewers lost licences as a result of the Compensation Act, amongst them being the Border Brewery which lost six licences in Berwick in 1904, Vaux which lost six in Sunderland in 1907 and Cameron's which lost 17 in 1906 and another nine in 1908.[25] In the period 1905-10 Newcastle Breweries lost 13 licences and in 1908 alone 13 different brewers lost licences in the Durham County licensing district.[26]

The annual reports of brewers referred to the damaging effect of the operation of the Compensation Act but the actual degree to which brewers suffered is questionable. It was the case that the Act imposed an extra charge on North East brewers and the larger ones were each paying over £3,000 per year in levies. It was also true that brewers lost licences they would have preferred to retain and were able to submit claims to compensation courts proving that houses could muster solid takings. In addition, brewers could argue that compensation awards were usually a lot less than their own valuations. But such considerations, which may have been severely if not fatally damaging for the individual licensed victualler, have to be seen in the context of the brewers' extensive tied estates. In the first instance, the loss of licence was usually safeguarded by au insurance policy and secondly, the surrender of a licence could be used to ensure the granting of another new property.[27] But, above all, it is impossible to sec the pattern of closures working other than to the long term competitive advantage of the leading brewers. In South Shields the strategy of magistrates was to 'close the smaller, less up to date houses' and in Newcastle, justices followed police advice about premises where 'trade was small or a catch trade, and the houses were badly adapted for the purposes'.[28]

This suggests that when brewers lost licences they did not necessarily lose sales if the brewer with his better appointed houses had a more favourable survival rate than other owners. It is hard to come to any conclusions other than that the net, long term effect of the Act was to drive drinkers towards brewery-controlled premises.

Competition from other forms of licensed premises

Brewers, already well aware of falling consumption and the increasing competition from other commodities, also faced threats in the retail sector from the newly-formed public house trusts and more ominously, the growing club movement.

The public house trust came to the North East in 1900 when Earl Grey, who had interests in Broomhill Colliery and the local community, saw the growing desire for a public house in the district and successfully applied for a licence. Grey's scheme was for a house which would use its profits to benefit the local community and would allow its manager a commission on non-alcoholic drinks and food. A Northumberland Public House Trust Company Ltd. was formed in 1901 and a Durham and North Yorkshire version in the same year, both based upon the People's Refreshment House Association Ltd. formed by the Bishop of Chester in 1896. Although the trust movement excited considerable interest in both the

District	Number of clubs 1905	Number of clubs 1914	% increase
Durham	146	238	63
Northumberland	68	106	56
County boroughs			
Newcastle	42	61	45
Tynemouth	6	4	(33)
Gateshead	12	21	75
South Shields	8	11	37
Sunderland	14	16	14
West Hartlepool	14	8	(43)
Total	310	465	50

Table 44 : Increase in number of registered clubs in North East Districts 1905-1914. Source. Licensing Statistics 1905 & 1914 (Cmnd. 2961 & 7981).

national and local press, and prompted brewery companies to take notice and frequently attack them, in reality they posed very little threat to the established trade. Even though they extended their chains of 'model' public houses - the Durham and North Yorkshire trust had fourteen properties by 1909 - the trusts found themselves experiencing the same problems that had vexed most brewers.[29]

A more serious threat came from licensed clubs, the rapid growth of which in Northumberland and Durham is shown in Table 44. Some of these clubs were no doubt formed for specific political or leisure activities, but it is equally certain that many clubs had a primary interest in the sale of drink and as their popularity rose they continued to enjoy a greater degree of freedom from licensing and judicial scrutiny. From the competitive point of view, with regard to their share of the retail trade, the growth in membership was more of a concern than the actual number of clubs. The Consett brewster sessions were told in 1907 that membership of clubs in the district was 'increasing to an alarming degree'.[30] Total membership of clubs in the division had risen by 2,000 during the year to 12,302.[31] Another minor but portentous aspect of the club movement was a decision by delegates of working men's clubs in Northumberland, representing 6,000 members, to pursue the idea of brewing their own beer. A sub-committee was appointed to meet the liquidator of the Rainton Brewery Company and a North of England Clubs Brewery Company was formed in 1905 with a capital of £5,000, but neither the purchase of the brewery nor the brewing of beer elsewhere materialised.[32]

With clubs having to secure supplies from existing brewers and the North East brewers appreciating the potential of clubs, efforts were made by brewers to accommodate the financial need of clubs and secure a degree of tie. For example, in 1902 the West Auckland Brewery company tied the Middleton Working Men's Club for all their bitter beer by lending them £300 on mortgage, and in 1904 bought £50 of share stock in the Evenwood Club 'for the sole purpose of securing trade'.[33] In another instance, Rowell's granted extended credit to the Gas Workers' Club, Hebburn and provided a mortgage for a club in Dinnington. In both these cases Rowell's tied them for beer and insisted on other clauses to safeguard the loans.[34] So whilst brewers were critical of the privileges they felt clubs enjoyed, they also courted them for custom. In 1911 Rowell's employed a representative specifically for increasing trade with the clubs in the Ashington area.[35]

Table 45 shows the number of licensed premises in each category in the North East for 1912. As well as confirming the significant number of clubs in some areas, it indicates the importance of the off-licence as retail outlet. Brewers also recognised this and had begun to tie in these outlets as they had public houses. By 1910, for example, North Eastern Breweries owned 13 off-licences.[36]

	Publicans	Other on-licenses	Off-licences	Registered clubs
County				
Durham	1,493	246	412	207
Northumberland	588	59	124	100
County boroughs				
Gateshead	116	34	65	18
Middlesbrough	73	29	51	17
Newcastle	355	131	175	56
South Shields	120	39	99	9
Sunderland	191	134	151	16
Tynemouth	131	24	49	6
West Hartlepool	45	38	61	8

Table 45. Number of licences in North East districts 1912. Source. Licensing Statistics 1912 (Cmnd 7040).

By the turn of the century a local newspaper commented that 'the good old Newcastle Mild Ale, the pure unadulterated product of malted barley, is hardly to be had now'.[37] A wide range of beers was still being brewed across Britain but the gradual switch in public taste was such that by 1905 Baker could report that 'the old fashioned, heavily-hopped ales have been practically displaced by lightly-hopped, fresh and bright ales'.[38] Since the 1880s North East brewers had come to terms with the demand for less heavy beers, but the manufacture of such products required more skill, better equipment and could not be achieved overnight. Meanwhile, Burton, London and Scottish brewers who specialised in such products retained their advantage and continued to trade in the North East on their reputation.

Table 46 shows the extent to which beer was being shipped from other UK ports, almost entirely southwards from Scotland, to the Tyne. Individual company records confirm the importance of the region for Scottish brewers. The Newcastle area was Wm. Younger's biggest market, ahead of Edinburgh, Glasgow and London. Newcastle was responsible for a consistent one third share of Younger's turnover from 1890-1900, and the strength of this market is demonstrated with reference to other provincial English centres of Yorkshire, Liverpool and Manchester. In 1890 Newcastle's turnover was less than five times these other markets put together, but by 1900 was nine times.[39] Clearly, the Newcastle market's relative share can be explained by its convenient geographical position and Younger's close links with W.B. Reid, but its continuance into the new century testifies to the firmness of the Scottish brewers' hold on the market and the lagged response of the indigenous producers. All sizeable Scottish breweries were well represented in the North East, with Alloa brewer, Geo. Younger having a dozen travelling salesmen working out of Newcastle in 1895.[40] Most Scottish beer was despatched to the North East by sea from Alloa and Leith, with cargoes of ale from Leith to the River Wear averaging 7,357 tons per year between 1909 and 1914. Some brewers bought their own ships to make regular trips and in 1907 Jas. Deuchar took possession of a 242 ton steamer specially built for the firm at Smith's Dock, North Shields.[41]

Burton brewers had similar experiences in the North East. Bass, Ratcliff & Gretton's sales through its agencies in the North East are shown in Table 47. As a percentage of the company's total trade and agency sales, the combined Newcastle and Stockton business declined slightly from 15.5% to 13.1% between 1890 and 1912.[42]

At the North East end of operations the external brewers had to superintend stores and transport fleets. For example, by 1890 Edinburgh brewer J. & T. Usher was opening more extensive premises at Manors Station Arches 'in consequence of largely increased business in Newcastle and District'. London brewers, Whitbread's, opened up a depot consisting of seven arches under Newcastle's central station in 1896 and commissioned a specially designed building for storage and bottling in Middlesbrough in 1907.[43] All the

Year	Ale & porter (tons)
1890	15,708
1895	23,812
1900	46,288
1905	30,931
1910	33,506
1914	37,459

Table 46: Ale and Porter Imported Coastwise from the U.K. into Tyne Improvement Commission Quays 1890-1914. Source. Tyne Improvement Commission Accounts 1890-1914

Year	Newcastle	Stockton
1890	216,290	101,562
1895	210,986	113,012
1900	299,189	143,445
1905	241,741	129,037
1912	218,611	129,463

Table 47. Bass, Ratcliff & Gretton home trade sales through Newcastle and Stockton Agencies — 1890-1912 by value (£). Source. Information supplied by Bass Archives.

outside brewers' agents, travellers and managers had a vital role in opening up markets for their firm's products and many cultivated this trade over a long period of representation in the North East. McEwan's, for instance, had been represented on Tyneside by R. Bowie from the 1860s. lie became manager in 1881 and remained, until his death in 1912, in charge of the company's Newcastle offices, its extensive cellars, a squad of travellers and the rolleys, horses and delivery men who distributed the firm's beer on a daily basis.[44]

As the years progressed, however, outside brewers began to find competition from the indigenous brewers of the English provinces becoming stronger. The improvement of local products and the extension of the tied trade made it a more difficult market for outsiders to penetrate. Geo. Younger, who had already closed a number of agencies including Stockton, cutback further in the early 1890s at Hull and Liverpool.[45] Like other Scottish brewers, they recognised the value of the North East market but also the need to tie in trade by purchase of, or at least close involvement with, their local counterparts.[46]

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]

Trade Association

Although the Northumberland and Durham Brewers' Association had existed since 1883, it was not until the end of the

decade that it achieved any authority. In 1886 membership stood at 17 but by 1888 was 140, although these were by no means all brewers as the rules allowed full membership for wholesale brewers trading in the two counties and honorary membership from trades such as malting, hop merchants, distilling, the wholesale wine and spirit trades etc.[47] The increase in membership did however reflect the anxiety within the trade about beer duties and legislation resulting from the aggressive campaigns mounted by the advocates of the local veto, prohibition and other schemes. All sections of the trade sought, therefore, to protect their common interests through some system of mutual cooperation.

In 1891 the Northumberland and Durham Brewers' Association reported that

> the brewers and wholesale traders in this district appear at last to have realised the great importance of taking action to counteract the influence teetotal political associations have hitherto possessed with Parliamentary candidates; and an agency, called the General Association of the Licensed Trade, has, for the past 6 months, been in active working order under the District Secretary.[48]

From this point the North East brewers' interests were guarded by two interrelated bodies; the Northumberland and Durham Brewers' Association and a General Association of the Licensed Trade, which soon became the Northern Division of the National Trade Defence Fund and then in 1900 became the National Trade Defence Association. The North East brewers now had a powerful voice to propagandise on their behalf and also act as a forum for the discussion of local industrial matters. Between 1900 and 1914 all attempts to abolish or restrict the sale of alcoholic liquors and to alter the taxation or excise levels under which brewers operated were met with well-organised opposition.

A significant portion of the Brewers' Association membership monies went to support the Trade Defence Association's work in arranging deputations to ministers on questions of proposed legislation and Budgets, and representing the trade before Royal Commissions. But much of the association's work was directed towards national and municipal elections and the promotion of candidates connected with or who supported the drink trades. From 1890 to 1914 the association intervened in six general elections and the measures adopted in the 1895 election, for example, illustrated their approach. When the election was called all candidates were sent a questionnaire and committee members of the association studied replies before drawing up a list of approved candidates. The secretary was then instructed 'to use all legitimate means to secure their return'.[49] He later reported on the methods by which he carried out these instructions, including the distribution of 12,000 individual letters and circulars, followed by an 'enormous number of leaflets, pamphlets, and electioneering literature ... distributed through the kind cooperation of the secretaries of the various Licensed Victuallers Associations'. In addition, the

> President and secretary between them addressed nearly twenty different meetings. Large quantities of posters and cartoons were posted on the various hoardings and distributed throughout the whole district.[50]

Of the 32 members elected in the four counties covered by the association, twelve members were returned who were favourable to the trade compared with seven before polling. It is impossible, of course, to say what impact the trade's propaganda had on its outcome, but the press were not prepared to discount the influence of the trade. The *Newcastle Daily Leader* thought the local veto was an important issue and in that respect 'the Newcastle Breweries have proved themselves more powerful for the purpose of electioneering than the Newcastle Programme'.[51] Similarly vigorous efforts were made by the association at general elections and by-elections that followed.

The work of the National Trade Defence Association, involving close cooperation at local and national levels between all sections of the trade, paved the way for the formation in 1904 of the Brewers' Society, with the Northumberland and Durham Brewers' Association becoming its regional organisation in the North East. The local association and the national society were concerned with the technical side of brewing as well as advising members on commercial and legal matters. Given the nature of the industry and the amount of governmental scrutiny it attracted, it was inevitable that the Brewers' Society had a very active parliamentary sub-committee. Most of the work of the Northumberland and Durham Brewers' Association was the provision of advice and sometimes financial assistance with appeals against licensing decisions and rating assessments. After the Compensation Act this work was extended to making representations to licensing and compensation authorities to reduce, or even suspend, the imposition of the annual compensation levy when it became clear that compensation funds were not being exhausted by compensation awards. After launching a systematic campaign in 1910, the association's deputations were successful in a number of instances and the material benefits felt by brewers could only have encouraged their continued support for the association.[52] In the four year's of the association's efforts up to 1914 it was calculated that savings, based on the levies imposed in 1910, ran to £50,000.[53]

The membership and committee representation of the Northumberland and Durham Brewers' Association reflected the

changes in the structure of the brewing industry in the North East from 1890-1914. Association records show that by 1914 there were twenty-four full (i.e. brewing) members comprising all the sizeable firms in the region and almost all those that were to prove to be the region's longest survivors. The committee places were spread amongst fifteen different breweries in 1914 with the five officers' positions during the period 1910-1914 circulating amongst only seven individuals.[54] At the top of their trade association, therefore, was displayed the same continuity as in the chairmanships of the chief companies represented. It also indicates that those firms that became pre-eminent in both brewing and retailing terms in the North East during 1891-1914 were also most influential in their local trade organisation. So, aside from the high profile issues of trade defence, the men at the top had a real interest in preserving what they felt to be the appropriate competitive environment.

The competitive state promoted by the brewers' trade association was one of maintaining cooperation and agreement on particular aspects of competition. Thus, for example, in 1899 discussions were held to decide upon a uniform charge for deposits on bottles. A year later it was decided not to put up prices following increases in duty, largely because Burton and Scottish brewers had not. In 1905 local brewers were circulated to the effect that it was 'most desirable' to 'standardise prices and discounts and to abolish extra allowances of all kinds'.[55] The question of raising prices was again discussed in 1910 and in 1912 the association campaigned amongst members against 'the evil of the long pull' and offered support to the retail trade in 'any well-considered and practical scheme for its abolition'.[56]

It would appear, therefore, that the organization developed to protect the interests of the brewing industry could be regarded as successful in its aims. In the area of legislation, the industry continually resisted the frequent appearance of bills promoting ideas such as the local veto, Sunday closing, pure beer etc. It was also the case that regular national and local meetings of wholesale brewers and retailers which improved communications and understanding had a less public but equally important impact. Closer contact between all sections of the trade offered greater opportunities for the participants to make arrangements that may not necessarily have been consistent with greater competition.

The localisation of competition

North East brewers, like those elsewhere, fully recognised that commercial success depended upon both the extent and condition of their retail outlets, as well as the reputation of their products which were conspicuously advertised outside such premises. Competition amongst brewers was therefore at its fiercest when retail outlets were in close proximity and when the number of outlets within a particular area was high. If we were to consider the publicans' licences issued locally in 1912 alongside the 1911 census returns for each district (Table 48) the disparity in concentration of houses becomes clear. For example, South Shields, with a comparable population to Middlesbrough, had 64% more public houses; Tynemouth, with a smaller population than West Hartlepool had three times as many public houses.

The essential feature of licensed house ownership reported in the 1892 Return (Appendix 7) was one of local concentration at a time when the North East's brewers were at that stage in no sense regional in influence. Market power was exercised within a limited radius of the firm's brewing operations, determined largely by transport and distribution considerations. As late as 1899 Lovibond stated that the Newcastle Breweries effectively traded within a limit of about 20 miles.[57] This tendency for individual brewers to hold most of their property in a few neighbouring licensing districts, combined with the geographical concentration of brewing into certain well-populated areas, created the high incidence of collective brewery ownership illustrated in Appendix 8. But it was just this concentration of a number of brewers in places such as Newcastle and Sunderland that rendered individual brewers' holdings less influential. Far from creating local monopolies, the large number of licensed houses of all ownerships within these districts, and the several brewers with similar levels of ownership, raised the level of competition rather than restricted it. Even an area like the Durham County Petty Sessional Division, which took in many of the county's mining villages but had no breweries situated within it, was subject to competition from those firms which found it easy to serve. Brewers accounted for 66% of public house ownership in the division, with the holdings of the top six providing the degree of competition demonstrated by Table 49.

Those firms that did occupy prominent local positions were in those districts houses in Hartlepool in 1888, and the latter's absorption by Cameron's gave Harker and Cameron's a joint total of half the borough's houses in 1914. Similarly, at Houghton-le-Spring, local brewers Thos. Lamb and Robinson Bros. held almost 40% of the licences between them, and Joseph Johnson was the largest owner in Durham City and Plews the biggest in Darlington.[58] The Border Brewery's Norham holding (Appendix 8) indicates that local domination of a minor district could be achieved by the acquisition of a small number of houses.

Closer inspection of the licensing registers used to draw up Appendix 8 reveals that within each district's overall fig-

	Publican's licences	Population
County		
Durham	1,495	929,214
Northumberland	588	371,474
County boroughs		
Gateshead	116	116,917
Middlesbrough	73	104,767
Newcastle	355	266,603
South Shields	120	108,647
Sunderland	191	151,159
Tynemouth	131	58,816
West Hartlepool	45	63,923

Table 48: Publican's licences for each North East District in 1912 and the 1911 Census Returns for the same Districts. Source. *Brewers' Almanack* 1914 p.200.

Brewer	% of total licences
North Eastern Breweries	9.8
J. Johnson	8.7
Newcastle Breweries	7.6
Cameron's	6.0
Robinson Bros.	6.0
Thos. Lamb	6.0
	44.1

Table 49. The proportion of the total Number of public Houses in Durham County Petty Sessional Division held by the six largest owners, 1914. Source. Durham County Petty Session Licensing Register, Durham County Record Office PS/Du 50.

ures there are some telling distributions and movements amongst brewery ownership itself. In East Castle Ward, where total brewery ownership went from 37% in 1894 to 60% in 1911, the proportion owned by the three largest owners changed little at around 33%. There was clearly a high level of concentration in 1894 when the dominant firm held two out of every three houses owned by brewers; but by 1911 this firm held only one out of three and this increasing competition amongst brewers was due to a growing number building up small estates of five or more houses. In Newcastle, the top five brewers doubled their collective share of total licences between 1898 and 1900, but this then remained at 18% through until 1912. Again, the increase in total brewer ownership after 1900 is explained by small brewers picking up a few houses.[59]

	Bishop Auckland	Wolsingham	N.W. Durham
	%	%	%
Plews	10.7		
West Auckland Brewery Company	10.	16.7	
Cameron's	15.2	16.7	
North Eastern Breweries	10.0	23.3	16.9
W.B. Reid			12.7
Newcastle Breweries			7.6

Table 50. Proportion of total number of houses owned by certain brewers in three licensing areas, 1914. Source. Bishop Auckland Licensing Registers, Durham County Record Office (DCRO) PS/Ba 10 & 11; Wolsingham Licensing Register, DCRO PS/BA 67; West Division of Chester Ward Licensing Register, DCRO PS A/La 79.

The overall, admittedly sketchy, picture of competition amongst brewers that emerges is one of local concentration by local brewers. The degree of competition was broadly decided by the co-existence or otherwise of brewers in certain areas and the extent to which they had spread their tied trade. Cameron's for example, concentrated its efforts in the south of the region, recognising perhaps that distribution is less troublesome when tied houses are clustered nearby, and were consequently reported in 1901 to 'own the great majority of houses in the Hartlepools'.[60] The North Eastern Breweries' tied estate mirrored its history, with most of its houses centring on Murray's former properties in North West Durham, Junor's at Spennymoor, its Sunderland breweries and Kirk's properties around Stockton. Even by 1910 the North Eastern Breweries' only houses in Northumberland were a handful in Newcastle and North Shields.[61] Cameron's and the North Eastern Breweries were often strongly represented in the same districts, although one or two other brewers, with more restricted distribution and retail facilities but with strong roots in that particular area, offered a serious competitive threat. For instance, in Bishop Auckland Cameron's and the North Eastern Breweries competed closely with the West Auckland Brewery and Plews, and again with the West Auckland Brewery in Wolsingham (Table 50). Further north to the west of County Durham, the North Eastern Breweries were challenged by W.B. Reid and Newcastle Breweries.

The Newcastle Breweries had a good coverage across County Durham and their distribution of premises over a wide area was given by management as proof of the company's ability to suffer less than others from localised trade depressions or industrial disputes.[62] The company's main rivals were neighbouring brewers. In Jarrow, in 1914, Newcastle Breweries held over one quarter of the licences, with another half of the licences owned by Newcastle, Sunderland and South Shields firms. In Gateshead almost a third of public louses were owned by Newcastle Breweries and two Gateshead brewers, and in Blaydon W.B. Reid and Rowell's joined Newcastle Breweries as the three most important owners with a total of 35%.[63]

The growth rates of the tied estates of Newcastle Breweries and North Eastern breweries reflected the national pattern of most acquisitions taking place before the turn of the century. Newcastle Breweries' tied houses increased by 50% from 1890-97 and then by 11% to 1914. The total houses controlled by North Eastern Breweries remained almost unaltered from 1599-1910.[64] By 1914 both companies were large regional brewers but, as Appendix 10 shows, they were strong rivals in some territories and had vastly different competitive strengths in other parts of the region.

Management

Control

Day to day management in brewing businesses seems to have separated along two basic lines, although the division in practice may have been somewhat blurred. On one hand, there were the general management tasks involved with

commercial and administrative aspects of purchasing materials, controlling sales and distribution matters, along with the supervision of tied estates and company travellers. Secondly, there was the management of the production process which had conventionally been under the supervision of the head brewerJ651 The designation of some activities into either the province of general management or the brewer varied from firm to firm or from time to time. For example, when bottling and the quality of bottled beer became an important commercial consideration for Rowell's the process was transferred to the control of the head brewer.[66]

The outstanding feature of control in North East brewing, at directorate level generally and in the role of managing director specifically, was one of continuity amongst family members. For instance, when J.W. Cameron died in 1897 his younger brother took over, and this was also the pattern at many other firms when deaths occurred and other members of the proprietorial families already involved with the business took control. Indeed, there was only one new entrant to the industry in the North East during the period; at Darlington, where solicitor T. Clayhills acquired and remodelled the Haughton Road Brewery in the early 1890s. At Newcastle Breweries and North Eastern Breweries, companies formed by amalgamation of several firms, different generations of the same family continued to exercise control. With Newcastle Breweries, apart from a brief period, it was the Reed family that occupied prominent positions since the early days of Barras & Co. Similarly, when Richard Murray, the powerful figure who created the North Eastern Breweries, died in 1913, his son succeeded him as managing director. Both these companies enjoyed additional advantages at directorate level as a result of their birth by merger, which meant all their founding board members already had considerable experience in the brewing industry and licensed victualling as proprietors of their own businesses.[67] But it is doubtful, however, whether many of the founding families had any great influence on the day to day operations of the business. In this increasingly technical and competitive industry more depended on certain positions within the firm being held by skilled and professional personnel. Nevertheless, many firms went into the 1900s with some posts filled by staff who had held them since long before incorporation. The Tweed Brewery had the same head brewer from 1882-1910, the head brewer at Nimmo's completed 42 years service in 1902, the confidential clerk at the Hope and Anchor Brewery had been there from 1881, Newcastle Breweries were employing a representative in 1908 who had begun with Barras's in 1878, in 1912 the head cellarman at Ridley, Cutter & Firth left after 45 years service, and a traveller with Tucker's for 50 years retired in 1907.[68] Whilst death and retirement may have deprived firms of their most experienced personnel, it also gave them the opportunity to recruit new blood with the skills and outlook that best fitted the demands of a changing, more competitive environment. This was perhaps most important in the areas of finance and technical brewing but firms were also required to give careful thought to appointments throughout the organisation. W.B. Reid, for example, recruited a retired inspector with 33 years service in the local police force as inspecting manager for the company's houses in the North Shields area.[69] In this gradual development towards specialist management the North East brewers seem to have been following developments elsewhere.[70]

The key position in the organisation remained that of head brewer, who way held responsible for the management of production and which effectively meant the maintenance of quality, the ultimate test of which was the extent of sales returns. For example, at a time when it was thought that 'in a well-conducted business these should not exceed 2%',[71] Cameron's very small returns of 0.3% was taken as evidence of the overall health and strength of productive activities.[72] An insight into the working conditions and responsibilities of the brewer in a leading regional brewery is given in a long letter of resignation submitted by the head brewer at North Eastern Breweries to the firm's directors in 1900.[73] W.H. Blake resigned after eleven years following criticism about some beers being too highly coloured. However, Blake's discontent appeared to rest on more general dissatisfactions about his responsibilities and the degree of power or discretion delegated to him. In this context his complaints were fourfold. Firstly, Blake felt he should have been consulted on the buying of materials and his approval sought on new plant and equipment purchased. Secondly, he thought he should have been given complete control of all aspects of brewing and all workmen involved. Thirdly, Blake argued that the Wear Brewery plant was not "in a condition to ensure the economic production of sound and well flavoured beers and need bringing into a condition to meet modern knowledge and modern requirements". Finally, his duties and responsibilities had risen considerably but his salary had not kept pace.

When Blake took up his appointment he supervised a production level of less than 32,000 kilderkins per annum at only one brewery and a malting that produced around 3,000 quarters of malt. The expansion of the firm meant that he became responsible for 'the care and supervision of three breweries producing 125,000 kilderkins annually and five maltings yielding about 12,500 quarters of malt annually with a corresponding increase in ... analytical work'. Blake's letter includes a description of the distribution of duties amongst staff under his control in reply to general management's querying of the reduction in output at Wear Brewery (which coincided with an increase in the wage bill). Blake's

argument was that there were some departments, for example malting and coopering, which were unaffected by the level of output

> The work in the maltings has considerably increased by the production of about 500 quarters of malt in excess of last year, and the fact that, during most of the year, we have been supplying three breweries and part of the year all four breweries, with malt from the Sunderland maltings, which means that the malt has to be moved to cleaner, dressed, sacked, weighed and dispatched. All this with the same malting staff as last year, help being given from the Brewery staff proper sometimes to the extent of four or five men per diem. During the summer months many musty casks, have to be dealt with, the cause being careless publicans and aged and porous casks; year by year, owing, probably, to the latter cause, this work increases; at the present time three men are kept constantly going at it.

With regard to the brewing process itself, Blake pointed out that in a brewery of a particular capacity

> a certain staff must be maintained to turn out a certain number of brewings, which same staff could easily cope with a much larger output... In short, because a brewing or so less per week is brewed, it does not at all follow that you can reduce the staff, and it is impossible to cope with the work and maintain cleanliness, in a brewery of the description of the Wear Brewery, with a smaller staff.

Also included in the wages book for which the head brewer was held accountable were draymen who were often transferred from work involving beer for 'leading spirits and wines, doing farm work and other jobs in no way connected with my department. In fact, I find that during the months of April and May men were taken off on 76 different occasions for one or other of the above purpose'. A further accusation of Blake's was that alterations and additions to plant had the effect of increasing labour rather than displacing it. For example, 'Wooden coolers substituted for copper and of larger area, large hop back with very faulty drainage, a new wort receiver, four refrigerators to clean instead of two and a longer series of wort mains to clean and maintain.' A final complaint about increasing workload was that 'the floors, drains etc., are in such a bad condition that hours daily are almost fruitlessly spent in scrubbing and cleaning'.

As Blake's letter demonstrates, the head brewer occupied an important position within the firm as the trained, salaried specialist, responsible for the functional control of a particular department, but in an organisation under the overall management of the traditional owner-families. This was the characteristic structure within the brewing industry at the time. As Chandler points out, 'although most breweries were incorporated they continued to be run as private partnerships'.[74] By this he meant that whilst positions such as head brewer, head clerk etc. were filled by specialist staff, it was the convention for members of the owner-families to have general responsibility for their own areas such as distribution, public house management, wines and spirits etc.

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.

Science and chemistry

An important regional initiative in 1893 was the founding of the Yorkshire and North Eastern Institute of Brewing, one of four institutes which federated in 1895 under a central council. In 1898 the membership in Yorkshire, Durham and Northumberland was 108 but by 1903 the individual identities of the regional institutes had been surrendered with the formation of the Institute of Brewing. One of the objectives of the newly merged body was 'the diffusion... of scientific and other knowledge practically and theoretically useful'.[75] in brewing and allied industries. Much of the early discussion in the institute revolved around shortcomings in the provision for scientific education and training, but in 1900 a British School of Malting and Brewing was established as a department of Birmingham University, although an examination scheme for the Institute of Brewing did not come into force until 1916. Consequently, the introduction of a universal standard of tuition, knowledge and qualifications amongst brewers took some time to become established.[76]

In the period 1891-1914 the prime method by which most firms brought more scientific knowledge and competence into their operations was by the appointment of a suitably qualified and experienced brewer. The value of a brewer trained elsewhere, either at a larger local brewery or at a firm in a more prestigious brewing centre, was not lost on North East brewers. Some smaller companies looked to

Year	Malt (bushels)	1 Sugar (cwts)	Unmalted corn (bushels)	2 Rice etc. (cwts)	3 Hops (Lbs)	Hop substitutes (lbs)
1890	964,872	31,065				
1900	953,143	45,585		34,601		
1910	894,255	54,325	1	44,051	1,060,850	73
1914	953,641	59,676		48,017	1,027,938	121

Table 51 : Use of materials in Northumberland and Durham 1890-1914.
1. Includes the equivalent o[syrups, glucose and saccharin
2. Includes rice grits, flaked rice, maize grits, flaked maize and other similar preparations.
3. Returns on hop usage were not collected until 1902.
Source. Returns of Brewers' Licences 1890-1914.

brewers who had gained experience at more advanced facilities nearby, and in this way the Monkseaton Brewery took on, in 1898, a younger member of the Nixey family who had learnt the trade with Nixey, Coleclough & Baxter. But it was Scotland that was the source of brewers for many of the North East's breweries and Johnson & Darlings, for example, recruited an employee of MacClachlan's of Glasgow as head brewer. When the West Auckland Brewery Company was seeking a brewer the post was advertised in the Scotsman. Cameron's, however, boosted their scientific approach in 1900 by recruiting a former pupil of Dr. H. Moritz, a leading brewing specialist who had founded the Laboratory Club, the forerunner of the Institute of Brewing, in 1886.[77]

The application of chemical research to the practical work of brewing depended to a considerable extent upon the work of brewing consultants. Few breweries had established laboratories on their premises, not necessarily because of an unwillingness to do so but possibly because of the difficulty in finding qualified staff. For brewers who were not unaware of the merits of scientific examination but lacked their own trained chemists there was the possibility of the services of a consultant to test samples of beer or materials and diagnose problems. In 1913, when Rowell's were experiencing some difficulties with one of their products, they wrote to Birmingham University which recommended the head brewer with Rushton's of Birmingham, who was subsequently invited to inspect the Rowell's brewery and report on the system and materials used. Following recommendations - including an end to double brewings, a reduction in the quantity of home malts and a cessation in the use of spent refrigeration waters - the company was able to report that beers were by then of excellent quality.[78]

Materials and labour

Since 1880 the 'free mash tun' had allowed brewers complete discretion in the choice of materials. By 1900 not only was a wide variety of different domestic and foreign malts available, but there were also different forms of sugars, rice, maize, hope and hop substitutes. However, the degree of freedom to combine these materials depended upon the plant and the processes used in the brewery and the type of product produced. Moreover, the chief advantage of the newer substitute materials was that they could be used to keep down the cost of malt but, in an industry where the consumers' loyalty hinged on the standard and uniformity of quality of the product, the use of substitutes could prove a false economy. Stopes warned that:

> Differences in cost of materials very rarely represents the true brewing value or profit-earning power. It often happens that a very cheap barley will not malt well, or does not yield a high extract when brewed. In such cases it is not so cheap as it seems.[79]

The use of substitutes given in brewers' returns show a varying usage across collections, but nationally the proportionate usage stayed almost constant from 1900 onwards. In 1900 the total inputs of malt and malt adjuncts were broken down into approximately 78% malt, 16% sugar, 6% rice and maize etc., and unmalted corn at little more than 0.1%. For 1912 the comparative figures were 75%, 18%, 7%, with unmalted corn at the same negligible level. Hop substitutes were never more than one half of one per cent of the total hop and hop substitute usage.[80] Table 51 shows the actual usage of materials in the combined collections of Sunderland and Newcastle.

Category	Number employed	% of total employed
Foreman	46	8.3
Maltmen	40	7.3
Mashroom and fermentation	63	11.4
Rackers	34	6.2
Coopers	38	6.9
Cask washers	30	5.5
Draymen	117	21.3
Mechanics	39	7.1
Others*	143	26.0
	550	100.0

*Includes Maltgrinders; Bottlers; Storesmen; Stablemen; Enginemen and Stokers; Boiler-room, mechanics' and general labourers; and other men.

Table 52: Numbers of men (of 20 years and above) in various categories employed in North Counties and Cleveland 1906. Source. Report of an Enquiry by the Board of Trade into the Earnings and Hours of Labour of Workpeople of the United Kingdom (1906) Vol. III (Cmnd 6556) p.199.

	1891	1901	1911
Gateshead	37	44	58
South Shields	28	29	23
Sunderland	78	130	134
Newcastle	133	130	138
	276	33	353

Table 53. Numbers Employed in Brewing and Malting, 1891-1911 in certain areas in North East. Census of England and Wales 1911, Vol X, Occupations and Industries, Part II (1913) [Cmnd. 7019] Table 13, p.107; Census of England & Wales 1891. Ages, Conditions as to Marriage Occupations, Birthplaces and Infirmaties Vol. III (1893) [Cmnd 70581 .476; Census of England &Wales (1901).County of Durham (1902)~Cm nd1147] Table 35, p.62. County of Northumberland (1902) Cmnd 12941, Table 35, p.65.

With regard to labour, employment figures suggest brewing was not a particularly labour intensive activity. In 1906 only 690 people were employed in malting and brewing in the North Counties and Cleveland. Of these, 550 men of 20 years and above (3% of the national brewing workforce) were employed amongst the various occupations given in Table 52. From this we see that only small numbers were involved in the actual brewing process (i.e. mashing, boiling and fermentation) in comparison with, for example, malting, distribution and general supervision. The labour intensity of these latter, and other, allied activities may explain why employment in some areas rose (Table 53). This may well be a demonstration of those factors at work identified by the resigning brewer at North Eastern Breweries. It would seem that any scale economies enjoyed on the brewing or administrative side were erased to some degree

by the increasing numbers needed to meet the growing demand for bottled beer, to maintain and repair greater amounts of machinery and to operate more extensive distribution networks.

With respect to earnings, draymen had always enjoyed some of the highest wages, bettered only by skilled mechanics and coopers of the non--supervisory staff. Their critical importance was illustrated by their ability to improve pay and conditions by threatening strike action in 1913.[81] Industrial disputes were rare in brewing in the North East and the action by draymen in Newcastle and Gateshead was organised by the Amalgamated Union of Labour. The terms demanded were a working week of 60 hours at 27s and overtime at 6d per hour. After discussions amongst brewers - in which Newcastle Breweries, John Buchanan's and Rowell's appear to have been chiefly involved - the basic 27s, a 60 hour week and 6d per hour overtime were conceded, and pay differentials agreed as follows:

Single - horse drivers	27s
Double - horse drivers	30s
Labourers	25s
Motor drivers	375
Motor first assistants	30s
Motor second assistants	4d per day over labourers' rates

Payment for special duty on Sundays was to be 2s for anything up to 7 hours and anything above to be paid in proportion.[82]

Another group of workers in the chain of brewing and distribution were bottlers, but along with cask-washers they were the poorest paid workers in the industry and were invariably female. At Rowell's in 1914 the women bottlers applied for an increase in wages and an alteration in hours based upon conditions for those employed by bottling firms elsewhere. After a series of meetings with union representatives the company agreed the following terms:

Hours:	7.00 a.m. to 6.00 p.m. Summer
	7.30 a.m. to 5.30 p.m. Winter
Holidays:	6 in all
Wages:	Sorters and washers up from 9s to l0s
	Labellers from l0s to 11s, advancing to 12s after 6 months experience
	No advance in piecework. Agreement to abandon piecework in future.[83]

As far as can be ascertained, brewing firms faced a situation in which the quality of both materials and labour inputs were crucial elements in production but offered little scope for cost savings or efficiencies. The nature of competition, with its stress on supplying a product of consistent characteristics, removed the possibility of fundamental change in inputs and left brewers with little alternative but to use basically the same materials whatever the price. At the same time, the relatively small workforce gave little room for manoeuvre. In addition, there were, as we have seen, serious doubts about the labour-saving effects of introducing technology into brewing. This left the preparation of malt and the distribution of the final product as areas for potential economies and it was in these areas that the leading North East brewers concentrated much of their efforts. By 1914 the largest brewers in the region were providing their own malt, obviating the need to pay maltsters' margins and avoiding the reliance on others to meet orders and deliver. At the retail end of operations the same brewers had extended and consolidated their tied estates to enable a larger more cost-effective retail network to be served by the most efficient means of transport.

Performance

Profitability

In a study of profitability for 1885-1914, Gourvish & Wilson summarise the national brewery trade's fortunes during the period as follows:

> ... the brewers experienced periods of anxiety, which is scarcely surprising given the fact that demand was sensitive to fluctuations in the trade cycle. Trading was difficult in the early 1890s, but recovered well in the second-half of the decade. After another period of difficulty towards the end of the next decade... the industry was agreeably surprised at how well the market settled down thereafter.[84]

The experience of North East brewing companies would appear to follow this general pattern, although the overall performance of all brewers in the region is not easy to establish or assess. Dividend payments and profits are usually available but in most other respects information is limited. Those firms that issued no ordinary shares to the public provided no details of their financial affairs, and those who were obliged to disclose information did so in a minimal form. 'Nearly all brewery balance sheets', wrote Stopes in 1895, 'are artfully compiled',[85] and this lack of detail in the accounts of brewing firms was a complaint to which the financial press regularly returned.[86] Profit and loss statements of public companies divulged nothing about actual output or volume of turnover: they dwelt on operating expenses, net profit and its appropriation. Chairmen's addresses at annual meetings were sometimes more forthcoming but more often than not were the vehicle for propagandising on behalf of the industry, stressing threats to the trade and tending towards the over-pessimistic.

Vaizey's survey of the brewing industry summarises the period 1886-1912 by saying that the 'picture is a confused one. In fact, brewing was for some firms a prosperous industry, despite occasional trade depressions and increased licence dues. But the public over-enthusiasm was succeeded by an equally unsound public fear'.[87] This statement highlights a weakness that was also particularly prevalent in contemporary commentaries on the state of the trade-, namely, the tendency to discuss the industry in terms of investment opportunities with emphasis placed on dividend records, the market for brewery securities and those factors which may encourage or discourage the purchase of shares. This creates three potential dangers that confuse the picture of a firm's underlying financial viability and stability. Firstly, the stress on stock market values and levels of trading in brewery stocks gave a prominence to factors which may have little to do with the actual performance or health of a particular company. For instance, the political campaigning from time to time, which was hostile to the trade and was seen as carrying with it the possibility of future restrictive legislation, may have had a disincentive effect on share-buying but had little or no effect on the actual cash position or turnover of the firm. Furthermore, as Vaizey's statement implies, the market for local or smaller brewery shares may reflect the difficulties encountered by much larger, differently-structured firms in other centres, rather than the regional firm itself.

A second danger in adopting the stock market perspective is that dividend records may be reflections of contrasting dividend policies amongst firms, rather than some fundamental difference in financial standing. Thirdly, there was often very little business transacted in the North East brewery shares and relatively small deals could have a disproportionate effect on their values. It seems that some brewers recognised this and were prepared to use it to their advantage, as is evidenced by the following extract from a letter to the managing director of North Eastern Breweries from his stockbroker in 1908:

> You will have noticed from quotations that North Eastern Breweries ordinary shares have fallen from £7.l0s to nearly £7. This, of course, has been due to the Licensing Bill, but we would like to point out that the market was broken by a seller coming onto the market with 50 shares and there being no supporting orders on the market and the seller had to take £7. This points out the seller of 50 shares had depreciated your ordinary capital by nearly £30,000. We only mention this to show how right it has been of Mr. Murray in the past to give in a small supporting order and thus handle the market and keep your shares at 50% premium, while the majority of other shares have fallen to a substantial discount. We have also in the past boasted to friends about your shares never being below 50% premium over a period of years and this was only brought about by a little judicious buying on the part of Mr. Murray.[88]

But, in spite of the caveats surrounding its use, the dividend record of a firm may be the only indicator available of performance. Such company records that are available suggest that the North East firms compared favourably with the trade nationally.

Boom years

It is certainly the case that the dividend performance of North East brewers during the 1890s amply repaid the faith placed in them by those members of the public who had eagerly subscribed capital, with profits and dividends declared being in excess of those anticipated in prospectuses.[89] Even allowing for individual fluctuations and the misgivings expressed by company directors, the last ten years of the nineteenth century were good years for brewing firms.

As the quote from Gourvish & Wilson suggests, the brewers themselves thought conditions at the beginning of the 1890s had not been helpful to their trade and reports made mention of two factors to which company chairmen would frequently return; the cost of raw materials and the state of the local economy. This latter factor was epitomised as periods of 'dullness' or 'decline' in the 'trade of the district' and was attributed to recession or depression in local industry or to labour unrest. In addition, the heightened competition triggered by acquisition, merger and the purchase of licensed houses in the 1890s, was said to make it more difficult for brewers to earn profits. It was the chairman of Newcastle Breweries who remarked that it required 'far more work and thought to obtain the same profit now than it had 25 years ago'.[90] In 1892, however, when the company declared an ordinary dividend of 8%, the chairman used Duncan's Brewery Manual to compare the results of his brewery with others. The results available for 115 of 130 limited liability companies in Great Britain showed only fourteen breweries distributing greater dividends and twenty-four an equal amount. Of tile remainder showing less favourable returns, ten failed to pay anything.[91] The Newcastle Breweries annual profits fluctuated around £50,000 from 1890-5 and then enjoyed a steady rise up to 1900. Other brewers in the region had similar results towards the end of the decade: North Eastern Breweries, for example, was able to report a growth in output of 28% in 1898 and further increases of between 5 and 10% during the next year.[92]

Company performance during the early years of the new century was generally satisfactory. 1900 saw increased trading and profits for Newcastle Breweries and the North Eastern Breweries reported a 'most successful' year.[93] In 1901 Newcastle Breweries matched their previous year's profits

	1907 %	1908 %	1909 %	1910 %	1911 %	1912 %	1913	1914 %
Cameron's	12	10	11	12	12½	14	16	16
Jas. Deuchar	12	6	6	3	2	4½	6	3
Newcastle Breweries	8	5	5	2½	5	6	8	8
North Eastern	12	12	12	12	12	12	12	12
W.B. Reid	10	10	8	6	8	9	10	10
John Rowell	12	12	7½	7	4	5	5	6

Table 54. Ordinary Share Dividends of some North East Brewers 1907- 1914. Source. Stock Exchange Official Intelligence 1914.

despite additional spending on repairs and alterations, and the company declared a 212% bonus over and above ordinary dividend. Cameron's was able to pay 16°10 on ordinary shares in 1902 and the Border Brewery showed its highest trading profit even though it charged the costs of unsuccessful merger negotiations to revenue.[94]

Depression and recovery

Brewing companies' annual reports at the turn of the century avoided reference to the growing competition from other commodities and changing leisure activities, and relied upon a familiar mix of attacks upon the Government's treatment of the industry and the weakening spending power due to local trade conditions. In spite of the apparent air of prosperity surrounding the industry, however, brewers were cautioning shareholders about future expectations. One of the new concerns creeping into chairmen's addresses was the rating assessments on brewery properties.

Some of the North East's leading brewers were beginning to report lower profits and one, the Alnwick Brewery, was making a loss. By 1903 Newcastle Breweries suffered its second successive fall in profits and its dividend dropped to 10% compared with 12½% for the previous two years. The company's own beer production had increased slightly but this was not enough to compensate for two years of falling turnover of bought-in products. Cameron's suffered 14% fall in trading profits in 1903.[95] Brewers blamed the cost of materials - hop prices doubled between 1903 and 1904 - and then made much of the extra burden imposed by rating assessments. In 1905, for instance, the chairman of North Eastern Breweries calculated that the average increase in rates and assessments since 1890 had been 42% for the ordinary ratepayer and 83% for licence-holders. It is likely, however, that the brewers, in their propaganda battle against the Government, over-stated the effect of rating valuations which were often successfully contested.[96]

By 1906 there were signs that the general depression that prevailed in the brewing trade was lifting. Newcastle Breweries showed a substantial improvement in profits, North Eastern Breweries reported 'such a favourable year' that they were 'able to write off sufficient for depreciation as would keep them secure for many years to come', and Robt. Deuchar was paying 6% on ordinary shares as against nothing a year earlier.[97] But by 1908 all this had changed. Newcastle Breweries, North Eastern Breweries, Cameron's and Robt. Deuchar all explained the turnabout in profits in terms of labour disputes in engineering and shipbuilding. The Gateshead Breweries Corporation talked of 'perilous times' and Newcastle Breweries reported a shrinkage in 'almost every department and a 44% drop in barrelage of whisky sold'.[98]

The focus of brewers' complaints then became the 1910 Finance Act under which brewers' excise licence duties were doubled and retailers' licences were raised, although the basis of assessment was unchanged. Those brewers with extensive tied estates and also larger individual properties stood to suffer most. The new publicans' licence duty was fixed at one half of the annual value of the new premises and tied houses were allowed to recover a proportion of the

increased duty from the person by whom it was tied to match the benefit he derived from the licence. The brewers, however, were left in 1910 with added costs on depreciating properties.

Newcastle Breweries calculated that the new duty meant the equivalent of adding 3d to the cost of a barrel of beer and the company's return to the Exchequer of extra licence duty, the 1900 additional war-time beer duty and compensation fund levies totalled £21,413 in 1910. The effect in many cases was to diminish the divisible profits of brewing companies at a time when trading profits were increasing. Newcastle Breweries proposed its smallest dividend and for some other firms dividends on ordinary and preference shares were gradually disappearing.[99] In one or two more extreme cases the interest on debentures was also in arrears. Robt. Deuchar, for example, had a considerable reduction in profits and declared no dividends.[100]

Table 54 shows the dividends declared by six North East brewers in the years up to the outbreak of the First World War. The dividend record of North Eastern Breweries is clearly exceptional, but the other firms, although with differing levels of dividend, demonstrate a steady improvement from 1911 when the regional economy was showing improvement. In 1912 the Newcastle Breweries' profits were up by 26% and it declared its highest dividend for five years. Cameron's, like other brewers, indicated that profits would have been even higher but for increased costs.[101]

Financial problems

During the period 1891-1914 no North East brewer suffered the same financial problems as in celebrated cases elsewhere, but they did from time to time find themselves in difficulties. In 1900, in order to re-establish the Pine Street Brewery in Newcastle, Edward Wilkinson met in full the liabilities incurred by the firm of Messrs. Wilkinson & Co., although he was in no way personally liable; and the creditors duly presented him with a silver vase in appreciation of his 'commercial morality'.[102] The Blyth & Tyne Brewery Co. found themselves facing a winding up petition from creditors who were mortgagees for a large sum. The original High Court hearing was adjourned to allow the company to take steps to find funds to take over the mortgage. The petition was withdrawn when the company raised £28,500 to pay off the mortgage debt and petitioner costs.[103]

The fate of another firm, J.H. Graham Ltd., illustrates the ease with which it was possible to enter the industry and maintain control but also find it impossible to service the debenture stock. Graham had been a small-time brewer, a licensed victualler and a wine and spirit merchant who had acquired a large number of public houses. In 1900 he sold some of these properties to a company registered as J.H. Graham Ltd. A later bankruptcy court was told that 'the bulk of the shares at all times were held by Graham himself. Graham, in fact, was the whole show'.[104] The last accounts issued by the company were in 1906 and the last dividend on ordinary shares was 1½% in 1904. No dividend was ever paid on preference shares. In 1908 Graham gave notice that the company was unable to carry on its business and the trustees for the debenture-holders appointed receivers. From thereon, the company was nominally kept alive for the benefit of the debenture-holders. Graham himself had parted with all his ordinary shares, including £50,000 in ordinary shares which had been converted into preference shares and given to Worthington & Co. as security for debts. Graham had also given up his debentures and until 1920 this North East brewing company was effectively controlled by a Burton brewer.[105]

The Border Brewery was beset by financial problems from around 1905 when it attempted to solve some of its problems by pursuing a merger with a Scottish firm. When this came to nothing it resolved to write down its capital, but this was left in abeyance in 1906 when instead it gave an option for the outright purchase of the business to a new company for £105,000. This was not taken up, but by 1909 the company was experiencing further difficulties, raising loans from bankers to pay debenture interest and two years later borrowed money on the security of its bonded stores to meet certain accounts. Discussions took place with debenture-holders to find a way in which the company could be carried on and negotiations with the other Berwick brewer, Johnson & Darlings; proved fruitless. The Border Brewery Co. then entered a period of receivership but that came to an end in 1913 and the company resumed trading operations.[106]

Robt. Deuchar's move into Scotland and the acquisition of licensed houses appears to have put constant pressure on the company's cash flow. In 1898 they were able to borrow £30,000 by mortgaging newly-built property and repaying it two years later by issuing debentures. By 1908 F. Deuchar, who had succeeded his father, was providing personal security for £30,000 against an overdraft in the company's current account. In 1910 the overdraft was increased to pay that year's additional licensing duties with the bank taking an insurance policy on F. Deuchar's life. By 1910 the overdraft was increased to 182,000, largely secured on the Shortridge Estates and making Deuchar personally liable to the extent of £72,000. The last dividend declared on the privately held ordinary shares was 6% in 1907 and the 5% cumulative preference shares were paid up until 1909. Since then there had been no preference dividend until the 2½%

paid in 1914.[107] Although all these companies had to endure financial troubles in an awkward period for the industry, they did overcome them to survive intact. Indeed, by 1914, most brewing firms were looking healthier. Market opinion confirmed this, with Robt. Deuchar's preference shares, for example, improving dramatically from a 25s valuation in 1912 to 95s at the end of 1913.[108] Despite continued propagandising by the trade, North East breweries were profitable businesses (some of them with considerable reserves and tied estates), which endorsed the contemporary judgement made about the industry by the *Economist* that

> it must be realised that the industry as a whole is not in the harassed and downtrodden condition that opponents of the last revision of the licensing regulations would have liked to have made everyone believe.[109]

Summary

By 1914 competition had become a keener and more complicated affair. The importance of product quality, led originally by brewers from outside the region and also influenced by the development of bottling, overshadowed basic price competition. Furthermore, the advances made by brewers into the retail trade and the improvements in distribution decided the degree to which local markets within the region were effectively contested. Accompanying this sharpened sense of competition amongst brewers, however, was a recognition that foundations should be laid for greater co-operation between members of the industry through trade organisation when the circumstances warranted it. In terms of control at directorate level in individual firms, North East brewers displayed a high degree of involvement by members of original founding families, but technical management was moving in to carry out particular specialist and administrative tasks. As for the performance of companies between 1891 and 1914, brewers experienced some difficulties but most ended the period in a healthy position.

Part 4: 1914-1920

Chapter 6: War and its immediate aftermath

Introduction

At the outbreak of the First World War the brewing press, without any direct precedents as a basis for conjecture, expressed concern about the expected interruption in the supply of materials and the anticipated fall in consumption.[1] It soon became apparent, however, that the dictates of war and the attitude towards the trade held by Liberal politicians would ensure that the industry operated for the duration of hostilities under strict, and often drastic, government regulation. Indeed, but for some minor slackening of control after the Armistice, governmental regulation remained in force until 1921. North East brewers, therefore, experienced seven years of curtailed hours of sale, restrictions upon output and the volume of raw materials used, and reductions in the strength of their products.

Government regulation

The Central Control Board

Within five days of the outbreak of war the first Defence of the Realm Acts was passed, allowing regulations to be made in the interests of public safety or national security. Of the first regulations issued, one concerned the supply of drink to members of the forces and another gave military authorities power to decide opening hours for licenced premises in districts close to seaports. A later amendment of this latter regulation substituted the reference to 'the neighbourhood of a defended harbour" with the much wider 'any specified area'.[2] Also in the first weeks of the war the Intoxicating Liquor (Temporary Restriction) Act was passed, giving licensing justices the power to limit hours of sale or consumption of alcoholic drink. These early wartime measures resulted in immediate restrictions on the North East trade. In August 1914 magistrates in Newcastle took the lead in unanimously exercising their powers and closing public houses two hours earlier, with similar decisions subsequently taken in other licensing districts. Later in 1914 an order under the Defence of the Realm Act restricted the permitted hours for supplying soldiers in a wide area surrounding Newcastle.[3]

By 1915, however, the restrictions already imposed, concerned as they were with questions of sobriety amongst servicemen and the suppression of drunkenness amongst the general populace, were seen as peripheral to the central issue of industrial efficiency in general and munitions manufacture in particular. The skilled propagandists of the temperance movement were well to the fore, but a new departure was the appearance of other groups calling for more severe means of control. For example, a deputation from the Shipbuilding Employers' Federation — including representatives of firms in Newcastle, Walker, Jarrow, Wallsend, Hartlepool and Sunderland — waited upon the Chancellor of the Exchequer to press for a total prohibition on the sale of alcoholic drinks during the duration of the war.[4] But total prohibition was only one possible form of action. It was becoming clear, as politicians and the press became more outspoken on the question, that some degree of state regulation was to be applied. The *Manchester Guardian* summed

up the mood by saying that 'there are times when it is easier to handle a question broadly and comprehensively than to nibble at it, and we misjudge the feeling of the country if this is not such time'.[5]

The major alternatives advocated were total prohibition, state purchase, and a rigorous reduction of drinking facilities. Other suggestions included a prohibition of spirits, the introduction of much weaker alcoholic drinks, and the development of refreshment rooms and works canteens to supply food and non-alcoholic drinks. All these measures were put forward in a variety of forms and sometimes in a number of combinations. In the event, the Government appeared to settle on a two-pronged attack. Firstly, fiscal policy was used in attempts to reduce the consumption of drink, especially strong drink. Secondly, machinery was introduced to facilitate the control of the liquor traffic in designated areas.

Under the first strand of government policy, spirit duty was doubled, the maximum limit on the dilution of spirits was raised and the duty on wine quadrupled. A new beer duty was introduced but did not apply to beers of the lowest gravity, thereby placing a surtax on heavier beers. The second arm of government policy, direct control, was secured by the creation of a Central Control Board (Liquor Traffic) to supervise the trade in any area defined by an Order in Council. For an area to qualify it had to be one in which 'war material was made or loaded or unloaded or dealt with in transit … or that men belonging to His Majesty's Naval or Military Forces are assembled in the area' and it was also judged 'expedient for the purpose of the successful prosecution of the present war that the sale and supply of intoxicating liquor in any area should be controlled by the state'.[6]

In practice, most areas of the country were found to qualify, although designation was not a foregone conclusion.[7] When the second batch of Orders were made in the Summer of 1915 they included one for 'Tyne, Wear, Tees' comprising

> city of Newcastle; county boroughs of Tynemouth, Gateshead, South Shields, Sunderland, West Hartlepool, Middlesbrough and Darlington; boroughs of 5toc;kton, Hartlepool and Jarrow; the petty sessional divisions of Gateshead, Chest er-le-Street, South Shields, Sunderland, Houghton-le-Spring, Seaham Harbour, Castle Eden, West Hartlepool, Stockton and Darlington; the divisions of Thornaby and Yarm, North Langbaugh, East Langbaugh, and West Langbaugh in the North Riding of York.[8]

Later in the year the scheduled area was re-christened the 'North East Coast' and extended to include the whole of County Durham, the petty sessional division of Morpeth and further parishes in North Yorkshire.[9] By the close of 1915 half the population of Great Britain was living in areas covered by the Central Control Board and by the beginning of 1917, 38 millions of a population of around 41 millions were affected. In the North East only Berwick and district fell outside the Board's control, and for most of the regional brewing companies almost their entire tied estates were within scheduled areas. For instance, the first 'Tyne, Wear, Tees' boundaries embraced 80% of Newcastle Breweries' licensed properties and with the later extensions to form the 'North East Coast' the company had only a dozen houses operating outside the Board's regulations.[10]

When the Board was set up, its Standing Rules and Orders conferred upon it very wide discretionary powers. Writing shortly after its demise in 1922, Shadwell, listing these extraordinary powers, said that

> In short, the Board were made complete masters. They could, in effect, do anything they pleased within the limits defined; their agents were exempt from the licensing laws, and the police were placed at their disposal with instructions to carry out their orders and enforce regulations. Nor was there any appeal from their decisions, which were not subject to public revision.[11]

However, it seems that the wide-ranging powers of the Board brought with them a sense of responsibility in the exercise of such powers. When the chairman of the Board, Lord L'Aberon, met with municipal and licensing authorities in the North East he stated that Orders issued by the Board were only intended to restrict alcohol sales to the two principal meal times, put an end to treating and credit, curtail off-sales, prohibit the door to door canvassing for drink sales and the dilution of spirits.[12] For those in the trade, of course, this was too much interference, but the discretion with which the Board exercised its powers had ensured its actions did not run too far ahead of public opinion (given the wartime conditions) and did not arouse undue antagonism.

For the brewing trade, as much as they disliked the existence and behaviour of the Board, their views were tempered by an awareness of a much more drastic form of control introduced in what became known as the Carlisle Scheme.[13] The response of North East brewers, therefore, when faced with further restrictions or regulation by the Board, was to adopt (at least publicly) a patriotic stance which pointed out the difficult position they found themselves in but acknowledged the greater national priorities. Typically the chairman of Rowell's announced in 1916 that if further restrictions were necessary 'for the successful prosecution of the war' he thought 'the trade would cheerfully and willingly submit without complaint'.[14] Such a spirit of cooperation and a willingness to comply with a degree of state control underpinned all the trade's dealings with the various authorities. It was the case also, of course, that any negotiations between

government agencies and brewers took place against a background where the implied threat of out and out public control was ever present.

Output Restrictions and Shortages

The chief restraint upon brewing itself came not from the Central Control Board but through the activities of the Board of Trade and the Food Controller in their direct restriction of output. The Output of Beer (Restriction) Act of 1916 was the first step in what was to be a severe limitation on the manufacture of alcoholic drink. The aggregate quantity of beer produced for the year 1916-17 was set at 26 million standard barrels, which represented a fall of 4 million on the previous year and 10 million on the immediate pre-war level. Then, in 1917, a new level was fixed which would require an even more swingeing cut: the output for 1917-18 was to be only 10 million barrels, a drop of 62%. When such an extreme reduction proved too ambitious the output limit was raised by one third but with a proviso about maximum gravities. In 1918 this one-third increase was itself reduced and gravities were also brought down. Following the end of the war there was pressure from the trade and its customers for an end to output restrictions and these were relaxed gradually during 1919. The gravity of beer remained restricted until 1921.[16]

Output restrictions exacerbated a pre-war situation of under-utilised plant and at Rowell's the brewery was only operating at about half its capacity in 1915. The restrictions in 1916 meant that Rowell's quickly ran down their extensive stocks and after brewing the maximum permitted amount they were unable to meet the demands of their licensed houses. The company decided to curtail the bottling of its own beers and were able to supplement their draught beer output with small supplies of mild and bitter from Ridley, Cutter & Firth and from Truman, Hanbury & Co. However, this made very little difference and an ambitious attempt to buy up the permitted brewings of other firms was launched. Negotiations with several brewers for the transfer of their Beer Certificates (ie permissions to brew), for which Rowell's offered £1 per standard barrel, were set in train but produced no positive results.[17]

Output limits were, of course, formulated in terms of standard barrels so the output set by the Board of Trade was not necessarily the actual bulk production but its standard equivalent. Whilst brewers were seriously constrained they did retain some room for manoeuvre within their overall limits. They could not avoid reducing volume and cutting gravities but could — to some extent at least — determine this product range, the amount of dilution and therefore the number of bulk barrels they were to brew from materials available. Following the restrictions of 1916 the Newcastle Breweries stopped brewing one of their products, reduced the gravity of all others by 8° and decreased the number of orders they were prepared to accept from the free trade. In a later move it was resolved to supply only one mild and one bitter beer to tenants, managed houses and free trade, and at a further reduced gravity.[18]

Output restrictions caused concern both locally and nationally that the growing shortage of 6eer would force the closure of public houses. In the Spring of 1917 there was speculation that across the country 3,000 public houses would be closing within three months, and by early Summer of 1917 several public houses in Sunderland had closed. At Rowell's there was speculation that many of their tenants would be unable to keep open if there were further reductions in supply, and the board contemplated the closure of some of its smaller houses.[19] Although almost all closures proved temporary, the problem was such that in the North East in 1918 attempts were made to organise systems of rationing. At West Hartlepool members of the Licensed Victuallers' Association arranged to allocate a proportionate quantity of weekly supplies to morning and evening sessions across the week. Other schemes were implemented elsewhere but often c:reated as much dissatisfaction as the unpredictability of supply they sought to remedy.[20]

The overall shortage also brought pressure on the trade to recast supplies so that more generous allocations could reach what were considered the more needy customers, usually those engaged in heavy manual work. But when this did happen it failed to satisfy everyone. In one instance, after visits from the leaders of the Blastfurnacemen's Association, licensed victuallers in the Consett area approached local brewers urging a larger allocation. The response was to supply one licensed house only, in Consett, with sufficient extra beer to exclusively provide two pints at each opening period for blastfurnacemen at Consett Steelworks. This only served to provoke local representatives in nearby communities such as Leadgate, who felt strongly that other classes of heavy manual workers were entitled to the privilege of supplementary beer rations.[21]

Inevitably, with a strictly limited supply, many groups in the North East thought they had legitimate grievances about the distribution of beer. Meeting in Newcastle, the Workmen's Protection League, said to be composed mainly of munitions workers, took up the slogan 'Give Us Beer and Regular Hours', and protest meetings of disappointed customers were held in Willington Quay. Formal appeals were also made to the licensing justices at Jarrow. Here, one of the directors of Newcastle Breweries appeared before the magis-

trates to argue that the town was getting its fair share of beer and his company's policy of closing down some houses each week was a scheme of rationing which would ensure that drink was available each period each day somewhere in the district.[22]

The brewers were conscious of the annoyance felt by the consumer in respect of price rises, and the problems caused by shortages was adding to the general distrust. The Northumberland and Durham Brewers' Association tried to overcome the difficulty by promoting schemes of voluntary rationing after discussions with the Central Control Board and others. An early experiment was at Hebburn where the local brewers first made a point of discussing the problems with deputations from the local workforce and agreeing opening hours. In Newcastle brewers and retailers met the Chief Constable and then the licensing benches to draw up guidelines,[23] with the Brewers' Association clearly working hard to salvage as much goodwill as possible in difficult circumstances. The fact that they received the ready cooperation of the police and the licensing authorities was indicative of the growing awareness towards the end of the war that the shortage of beer was contributing to labour troubles. The cause of industrial unrest, said the *Iron and Coal Review*, was 'capable of being in a large measure boiled down to a cry of more beer and cheaper food'.[24] Given that beer shortages were not a distribution problem but one of limited supply fixed by government decree, the brewers could actually do little about the problem. The situation only improved, and the brewers' position eased somewhat, when the government relaxed output restrictions. But this was not a result of trade pressure so much as a government commission suggesting that shortages were causing unrest and interfering with output.[25]

When permission for additional beer output was granted, its allocation amongst brewers and its distribution amongst retailers proved contentious. In the North East the Northumberland and Durham Brewers' Association set up subcommittees to reach agreement on allocations amongst members, but even with extra beer there was still insufficient to meet all the needs of licensed premises. The position was also aggravated by the failure of association members with Scottish brewing facilities (faced with transport difficulties and congestion on the rail network) to deliver their stipulated proportion of output. North East-based brewers therefore agreed to supply those licensed premises which were not able to obtain their customary supplies from Scotland.[26] The association and other local trade groups were devoting a lot of effort towards coordinating the allocation and distribution of the industry's permitted output. They clearly recognised the need to allay public fears about the fairness and otherwise of beer supplies or at least keep public concern down to manageable levels.

The organisation of the trade

Structural change

In what was for brewers a period of consolidation under an unprecedented degree of regulation, new company flotations were never going to occur. There were, however, a small number of private company formations and a significant new entry under friendly society status.

In 1914, following the death of its owner, the Ovington Brewery, along with five licensed properties, was put up for auction but failed to reach its reserve price. Rowell's, for example, had contemplated purchasing the properties but, after inspection, did not bid. Within weeks, however, a licensed victualler in nearby Ovingham had formed a £9,000 private company under the existing name of Lumley & Co. to carry on the brewery. Perhaps because of the increasing vulnerability felt by firms during wartime conditions a few other well-established North East brewers sought limited liability status between 1914 and 1920. Largest of these were Joseph Johnson, who brewed at Westoe and Durham, and was registered as a private company in 1917 with a capital of £250,000. In the same year Thos. Lamb & Sons of Hetton-le-Hole was registered with a nominal capital of £70,000 and later, W. Robson of Sunderland with a £40,000 capital.[27]

Another new company, reflecting the growing interest by brewers in improved licensed premises and catering, came with the registration of Newcastle Hotels Ltd. A private company with a capital of £125,000, it had as its objects the business of hotel and restaurant keeping and licensed victualling. It was formed by local brewer Jas. Deuchar and a director of Bass.[28] A minor development in Scottish brewing's connection with the North East was the creation in 1920 of Calders (Newcastle) Ltd with a :£30,000 capital to operate essentially as a subsidiary of Calders of Alloa.[29]

It was precisely the wartime conditions that discouraged development and innovation amongst existing brewers that provided the stimulus for the one new entrant to the region's trade. Those closely involved with workingmen's clubs in the North East observed the promotion of club-owned brewery schemes elsewhere in the country and saw them as possible solutions to the movement's complaints about high prices, shortages and inferior products. By early 1919 some of those involved in the 1905 attempt to operate the Rainton Brewery, whilst admitting that the project had foundered because there was not a broad enough base of support amongst the clubs, felt that there were now enough clubs in the region to pursue such a scheme. A number of meetings were held, and at a delegate conference of both the Durham

and Northumberland Branches a resolution in favour of purchasing a brewery at Alnwick was passed.[30]

Meanwhile, the body to run the brewery was set up. The Northern Clubs' Federation Ltd. was a corporate body with limited liability and registered under the Industrial and Provident Societies Act.[31] It was formed with the objective of establishing brewing and other manufacturing facilities to meet club needs, and to function as a wholesale agency for the supply of beers, wines, spirits and other requirements. Shareholding membership of the Federation was confined to clubs registered under the Industrial and Provident Societies Act. There were no individuals admitted as members, only clubs who were required to subscribe to the 5s shares to the extent of at least one share for each of its members and thereafter increase their shareholding as their membership increased. Voting power accorded with the number of shares held and the management of the organisation was vested in a committee elected annually. Interest on share capital was to be paid at not less than 5% per annum. Profits were to be distributed in proportion to purchases.[32]

In the early stages of its existence the Federation concentrated on its wholesaling function, negotiating with brewers and others for discounts etc., and this was to last longer than anticipated as the brewing side of the organisation encountered problems. The brewery at Alnwick, bought for £10,000, proved to be an expensive mistake. The provisional committee had readily agreed a deal when a member of the Smart family involved with the club movement suggested that the disused brewery, previously operated by GS Smart, would be an ideal purchase. The brewery had the attraction of having enjoyed a reputation for its water supply and was also close to the group of clubs in the coalfield which was foremost in pursuing the brewery venture.[33]

There appears, however, to have been ignorance amongst both members and officials as to the identity and conditions of the brewery. Contemporary newspaper reports of the scheme referred to capital being raised to buy 'The Alnwick Brewery', a building which belonged to the much more prestigious Alnwick Brewery Co.[34] To what extent this confusion contributed to the enthusiasm for the scheme will never be known. What is known is that as soon as someone with technical expertise saw the facilities at Smart's old brewery it was recognised as being beyond repair. The building had been used for munitions work during the war and was in such a dilapidated state that the brewer recruited by the Federation, A.E. Sewell who had been working at the old J.H. Graham's Newcastle brewery, inspected it and ruled out the possibility of ever brewing there. The Federation had renegotiated the price but were bound by contract to pay £7,750.[35] Thus by 1920 the organisation was formed and a determination to enter the industry existed, but brewing had not yet commenced.

With regard to changes in the ownership structure of North East brewing the only absorption was that of the private Newcastle firm of Robert Newton. In 1920 Cameron's acquired the whole of its ordinary share capital and with it some 35 licensed houses. To finance the transaction Cameron's created £21,000 £5 non--cumulative income stocks which were initially issued at £40 per £100 stock and offered pro-rata to existing shareholders. 1361 One firm lost to the industry was J.H. Graham. By 1918 the sale of the Middlesbrough properties had allowed £100,000 debenture stock to be paid off and a resolution to wind up the company was passed in 1920.[37] All other North East brewers continued to brew throughout the period, although there are some doubts as to whether the Blyth and Tyne Brewery was able to maintain output during the war.[38]

With the war over, some of the region's public companies set about modifying their capital structures. In 1919 the Newcastle Breweries divided its £10 ordinary shares in £1 shares and altered its articles of association to permit the capitalisation of undistributed profits. At that time the company's general reserve fund amounted to £300,000, some 1½ times its ordinary share capital. The directors thought it desirable to capitalise £200,000 of its reserve and distribute it to ordinary shareholders in the form of one new £1 share for every existing £1 share. Also in 1919, Rowell's increased their capital to £200,000 by the creation of a further 5,000 £10 ordinary shares, cancelling 2500 of its original 6% preference shares and creating 2,500 7% cumulative second-preference shares, both of £10 each.[39]

Technological and scientific development

War naturally called a halt to innovation and technical development but some rationalisation of production was possible where firms operated on disparate sites. In 1916 Newcastle Breweries, for example, stopped the manufacture of aerated waters and beer-bottling at the High Brewery, South Shields and later disposed of some of the Low Lights property. In 1918 the company was also able to resolve a long-standing inconvenience with regard to malting. Since the 1884 move to the Tyne Brewery, Newcastle Breweries had been forced to maintain the original Barras maltings in Gateshead. At the end of the war Addison Potter & Sons approached the company with the offer of their Newcastle maltings. Agreement was reached such that Addison Potter took 2,700 5% £10 preference shares and £23,000 4½% mortgage debentures in the Northern Corporation in exchange for the freehold of the Melbourne Street Maltings.

Newcastle Breweries now had a large, purpose-built maltings and disposed of the Gateshead buildings for 12000 to the Northern Automobile Co.[40]

The war-time conditions ruled out improvements in production and the priority given to the manufacture of munitions meant that brewery engineers had been prevented from carrying out almost any brewery work.[41] For the brewing firms this meant the suspension of most development work planned and the inability to maintain plant as they would have wished. Some necessary work was done, however, at Rowell's when old staircases, wooden grist case and mashers were in danger of collapse. North Eastern Breweries decided, in 1915, to electrify the Wear Brewery and install a system of elevators and conveyors to reduce their dependency on labour and counteract the effects felt by the withdrawal of many of their workers through enlistment in the army. Vital repairs were also carried out when breweries suffered war damage, as at Cameron's in 1915, but alterations thought necessary on the outbreak of war had to be postponed. Again, at Cameron's, in 1916, a shortage of labour and materials prevented work being done, and at Newcastle Breweries a partial rebuilding of the stable failed to obtain the sanction of the authorities. With new equipment unavailable, the Border Brewery advertised unsuccessfully for a second hand boiler and was forced to fall back on a number of welded repairs. That little was done during the war with regard to equipment in breweries is illustrated by the Newcastle Breweries' 'Plant & Machinery Account'. Here, the only addition from 1915-19 was a mere £931 in 1918.[42]

After the war the work of brewers centred on curing the wear and tear that had been neglected during the previous four years. The Border Brewery, for example, carried out essential repairs on roofs, malt kilns and the brewing copper.[43] For some larger concerns the end of the decade, with release from control of certain metals and other materials, was a time for planning the installation of new plant and the extension of facilities. At Newcastle Breweries in 1919 the head brewer had inaugurated a plan for a replacement racking system and for a new set of tanks to be constructed out of ferro-concrete. The company had also purchased the nearby St. Cuthbert's Grammar School for conversion into a bottling factory. At Rowell's the end of the war signalled a series of improvements in their brewery, including the introduction of electric light, the installation of electric motors to replace gas engines, repairs and renewals in the boiler house, the purchase of land previously leased as a brewery yard, and a number of visits by leading brewery architects and engineers, Bradford & Co., to plan extensions and updating. The directors also bought a new cask-washing machine after seeing it being demonstrated at the 1919 Brewers' Exhibition.[44] But the war years had seen little in the way of technological development or improvement in the industry generally or amongst North East firms. As well as making it very difficult in practical terms for brewers, government regulation also reduced any incentive. Restricted output and excess demand meant beer of whatever quality could find a ready buyer. The brewers, therefore, felt no competitive pressure to update plant or improve products, but merely to operate existing plant as effectively as possible. For large brewers it was a problem of how best to utilise capacity in a period of decreased trade, that is, whether to decrease the number of brewings or the size of the brew.[45] Economies were still possible in some areas and it may be that war-time conditions concentrated the brewers' minds. At the Tyne Brewery, for example, an investigation of water consumption led to the adoption of methods which made significant savings.[46]

When it came to distribution the war caused particular problems. Brewers were called upon to provide transport equipment and horses were also requisitioned. On the outbreak of war Vaux lost three motor lorries and thirty horses, whilst Cameron's had twelve horses, a petrol lorry and chassis commandeered.[47] The requisitioning of transport equipment, coupled with the rising price of petrol and the problems of obtaining a supply, added to brewers' difficulties. Orders for new equipment placed by Newcastle Breweries and Rowell's were cancelled when war broke out.[48] Brewers were therefore made increasingly aware of the merits of careful planning of distribution networks and considering transport fleets on strictly economic grounds.

It was not until after the Armistice that brewers could expect to improve their transport fleets when the Brewers' Exhibition once again began to exhibit what was previously unavailable; motor vehicles adapted especially for brewers. In the North East, Rowell's ordered two Sentinal 5/6 ton steam wagons, and the Newcastle Breweries ordered a new petrol wagon and updated its transport fleet such that by 1920 they were advertising round trip deliveries from the brewery to the coast. In the same year the *Newcastle Daily Journal* reported that an unnamed brewer was considering utilising a novel method of distributing beer in tank cars similar to those used for oi1.[49] If nothing else had transpired during 1914-20, brewers were now beginning to take the question of transport and distribution more seriously.

As with technological progress, scientific progress was halted by the war. In 1919 the *Brewing Trade Review* judged that the absorption of scientists by the demands of modern warfare meant that 'chemical progress in brewing has been brought practically to a standstill — in fact in many cases the stagnation had meant worse than standstill — it has

meant a retrogradation'.[50] Eventually, the lessening of output restrictions and the re-emergence of a free market in raw materials once more put a premium on the services of the chemist and skilled brewer. The Institute of Brewing had been at the forefront of brewing education and during the period 1915-17, 27 individual members of the brewing staffs at twenty North East breweries were elected to diploma membership of the Institute. In 1919 the Institute took an important initiative in line with many other industries in the immediate post-war reconstruction atmosphere when it proposed reconstituting itself into a research body for the fermentation industries. The proposal met with strong support and when new rules were formulated the Newcastle Breweries were one of the first to affiliate. The Tyneside firm had close links with the scientific side of the industry and in 1919 donated funds to the Newcastle Chemical Industry Club to allow it to build up a library of brewing books.[51]

The competitive environment

The role of trade associations

In 1919 the Brewing Trade Review lamented that the 'want of competition has influenced every phase of brewing'.[52] Since 1914 brewers had been diverted from their normal competitive pre-occupations and concentrated more on combining together to deal with the vexed issues of the regulations and restrictions imposed by the various authorities. Trade matters were not only dominated by the introduction and working of government orders as they came on stream but were coloured by an acute awareness that a determination to make governmental control permanent could be high on the agenda.

In such circumstances the two representatives bodies in the North East, the Northumberland and Durham Brewers' Association and the Northern District Trade Defence Association, became more important and the value of their activities recognised, especially by non-members. The regional Brewers' Association recruited another dozen members in the opening years of the war and by 1918 could claim to have enrolled all the brewers in Northumberland and Durham. By 1920 the association had 36 full-time members, although its executive officers were still drawn from a handful of leading brewers.[53]

The Brewers' Association was particularly influential in determining the local response to the question of 'pooling'. In 1917 a number of arrangements were devised by brewers elsewhere in the country under which they concentrated brewing operations or supplied one another's houses in particular districts. In 1918 the Government set up a number of departmental advisory committees to consider possible arrangements amongst breweries that would lead to economies in coal, transport, manpower etc. The trade saw this as a move to introduce the pooling and concentration of interests, and a signal that the Government thought not enough progress had been made in this direction by voluntary schemes. The attitude of the Durham and Northumberland Brewers' Association was that any scheme which eliminated overlapping of territories etc. was desirable but this was better done by mutual arrangements under the auspices of the association rather than by some government department.[54]

The association also took the view that in the situation that then existed, with the effective outputs of local breweries falling short of local requirements, a scheme should be formulated that would increase local production to the fullest extent by arrangement with those portions of the trade currently supplied from Scotland. A sub-committee was set up to draw up a regional scheme and to discuss such problems as adjustment of profits between brewers participating. However, after talks held nationally between the Brewers' Society and the Government, the plans for a centralised pooling scheme to be imposed by the Government was abandoned. This was done on the understanding that the industry itself would take steps to significantly reduce its consumption of fuel. The Institute of Brewing appointed an expert committee to recommend to the Brewers' Society how economies could be achieved. A memorandum was issued advising brewers on energy saving but by 1919 the campaign by the Government for fuel and other economies within brewing was suspended.[55]

The Institute of Brewing had become more overtly political as changes were threatened which could alter the future shape of the industry. In 1916, as it became obvious that the Government was considering some form of control, the institute formed a 'Protection Committee'. This body was charged with the responsibility of safeguarding the interests of technical and consulting staffs within brewing and allied industries, and after discussions with two other interested bodies (the Brewers' Society and the Operative Brewers' Guild), it was agreed that the institute would handle all matters involving the interests of operative brewers. The institute also represented the claims of technical staff in evidence to the Home Office Committee on State Purchase.[56]

With the end of the war the Trade Defence Association revived its political campaigning, even though the Representation of the Peoples Act of 1918 forced it to review its tactics.[57] When the 1918 General Election was called the local Trade Defence Association's request for volunteers to work in the trade interest was well-received. The established method of submitting questionnaires to candidates and then

advising electors in each division to support the more sympathetic was again adopted. However, in response to the new act the literature circulated to licensees and information given to the public was of a more 'educational nature', and efforts were also made to encourage women connected with the trade to canvass friends, customers etc. In the area covered by the Northern District Trade Defence Association, 17 favourable and 11 unfavourable members were returned. Only two members of the previous Parliament were regarded as sympathetic to the trade and the association was able to claim some credit for a remarkable turnabout.[58]

Beer prices

A tripling of beer prices in the period 1914-20 not only contributed to the brewers' profitability but also towards a bigger role for regional trade associations in coordinating rises and handling the brewers' response to the consequent public disquiet.

There had been an increase in beer prices late in 1914 and by 1916 further rises took place across the country in the price of bottled beers, due, it was said, to the serious increase in the cost of brewing materials and production of beers, the difficulties of distributing bottle beers and the scarcity of bottles. Newcastle Breweries was one of the firms which raised the price of bottled beers but breweries also took the chance in 1916 to upwardly revise their whole range of charges. The Border Brewery, for example, raised its free trade prices by 20% and made smaller additions for tied houses, although these were later modified in the face of keen competition from Scottish brewers. Rowell's raised the price of beer to their tenants by 45 per barrel and by 5s for free trade customers.[59] By 1917, when output restrictions were beginning to bite, frequent meetings of the local Brewers' Association and Trade Defence Association were being held to agree joint action on prices of beers, spirits and wines in all managed and tied houses. The new price of a pint of beer was 7d compared to 4d in early 1916. The public reacted strongly to these further rises and there were reports in the local press of a boycott by customers and talk of a slump in trade.[60] Local brewers were forced to move quickly in attempts to assure both the press and public that they were not taking undue advantage, and when the additional barrelage was conceded by the authorities the opportunity arose for brewers to make some concession to public opinion. It was acknowledged that the granting of extra production was 'entirely due to protests of the working class' and it was decided therefore that 'some reduction should be made and the price fixed at 6d per pint'.[61] Rowell's, for instance, followed the local association's recommendation by offering tenants a 10% rebate on the price of low gravity beers and gave their managing director the discretion to adjust whole-sale prices where 'special terms' were thought appropriate.[62] Frequent meetings became necessary to draw up schedules of prices as variations in output, gravities and beer duties took place. Not only were the trade associations called upon to formulate agreements on the intra-trade and retail prices, but they were also obliged to counteract criticism from the public by the publication of posters and leaflets explaining the rise in prices. Spokesmen from local brewers also appeared in the press showing an eagerness to discuss the matter. The managing director of one Newcastle firm provided figures to support a case apparently based on two general themes, that is, an increase in the cost of most of the important inputs into the production and distribution processes, and a much lower output over which to spread fixed charges. In the first category were such items as raw materials which had risen 116%, wages 50%, casks 100%, bottles 133% and petrol 233%. Of the standing charges, the compulsory reduction in output meant the annual rates and taxes averaged out at 2s 6d per barrel as against 4;d in 1914-15. Insurance, of which an increased premium to cover aircraft damage had also to be absorbed, worked out at Is 6d per barrel as against 2d. Interest payments on mortgages and debentures had gone from 1s 7d per barrel to 7s 4d. Adding the cost of raw materials per barrel to the average standing charges produced, said the brewer, an increased cost of 32s 7d per barrel since the first year of the war. When consideration was given to wages, transport and other costs, the brewer was able, on the basis of his own figures, to provide a plausible explanation for the 40s a barrel rise in wholesale price.[63]

Equally, it was possible to exonerate the retailer from any charge of profiteering. The case was made for a publican who sold 200 barrels per annum at the outbreak of war but by 1917 was entitled to only 50. In 1914, with a wholesale price of 40s per barrel and retail price of 3d per pint, his annual gross profit was £320. In 1916 when his supply dropped to 150 barrel at 60s each, he sold it at 4d per pint and had a gross profit of £270. With the 1917 changes he would be dealing with 50 barrels bought for SOs each and beer retailing at 6d per pint, which proved perhaps rather too neatly that the licensed victualler's gross profit had halved during the period under review.[64] Nonetheless, it does point to the difficulties caused by fixed overheads. Such newspaper interviews may or may not have assuaged public fears but they do point to the growing ability amongst those in the trade to practise public relations.

Products and markets

In the conditions under which they were forced to operate brewers found it impossible to maintain the range and quali-

ty of their staple product; draught beer. There was a good deal of dissatisfaction expressed by consumers and evidence of switching to bottled beers and spirits. Firms worked to exploit these growing markets and also to extend their field of operations into neighbouring areas and alternative outlets. Brewers also began to take more seriously the earning potential of by-products.

In 1916 the Central Control Board, known to be in favour of reducing gravities, appointed a committee to consider the steps the Board ought to take to give further encouragement to the production of lighter beers. By 1917 brewers were producing a 5d per pint, reduced-gravity beer under conditions imposed upon them by the Government. They were effectively attempting to brew a foreign, lager type beer using a distinctly English process which did not lend itself to the manufacture of a satisfactory product. As the first barrels of this beer reached the retailers the brewers had misgivings and it was felt that the product would only be consumed in the absence of other beers.[65] In Middlesbrough, the Chief Constable called for an increased supply of liquor to those working in the town's heavy industry, but 'not the liquid which is known as Government ale. The men complain that it is very thin, and in this respect no doubt their views are well-founded'.[66] There was clearly some resistance to weaker beers.

What was happening was that circumstances were combining to switch brewers' sales of beer to spirits. Rising prices, the reduced strength of beer and shorter opening hours led to a substitution of spirits, particularly whisky, for draught ales. A Newcastle brewer reported in 1915 that 'the trade in spirits has spread enormously during the past few months, and the beer trade has dropped quite a third'.[67] Also in 1915 the chairman of Rowell's thought that the result of increased beer duties and the curtailment of evening hours was that 'the consumption of spirits was generously encouraged'.[68] In the same year the Durham and North Yorkshire Public House Trust reported a 19% decline in draught beer sales, and a rise of 23% in the wine and spirits sold for consumption off the premises. By 1918 the trade press was arguing that in colder weather consumers now preferred a small drink of spirits to a large quantity of weaker beer. The consumption of beer of standard gravity was a third of pre-war level but the consumption of spirits at proof strength was 40% up on its pre-war level. The growing business prompted Rowell's to negotiate with a view to purchasing the share capital of a local wine and spirit company in order to obtain their extensive stocks. After detailed study of the firm's accounts and stock holdings, Rowell's established that the stock value was equivalent to £8 per share for the 5,237 ordinary shares of £10 issued. Rowell's offer of £7.10s per share was, however, unsuccessful: the wine and spirit company was looking for something in the region of £65,000 for the shares.[69]

Brewers were also becoming aware of the commercial value of by-products, and such sales were thought to be one of the factors contributing to their profitability. The Board of Agriculture was particularly keen that those breweries that previously discarded surplus yeast should dry it for stockfeeding and farmers were encouraged to approach the smaller brewers to enquire of the possibility of using their surplus yeast and other waste. In a similar move the Ministry of Food called upon brewers in milk-producing districts to give dairy farmers preference when disposing of by-products. Meanwhile, the Royal Commission on Meat Supplies asked brewing consultants to investigate the use of brewers' yeast for baking purposes. In other instances, chemists advised brewers on the correct treatment of spent hops to use as cattle feed.[70]

Materials and labour

The attitude of government policy-makers during the first half of the war was to avoid any direct controls on the use or importation of brewing materials. It was felt that the reduced output of beer would itself ensure that imported materials would fall, and there was therefore no direct government intervention, leaving brewers free to purchase materials from any source available. By the end of 1916, however, brewers were buying wheat to supplement the shortage of barley and the Government felt compelled to make an order which effectively prevented the use of wheat in brewing. Then, in 1917, the hop crop was taken over by the Government. By this stage there was no longer anything approaching a free market in materials.

Uncertainty about malt supplies proved a problem for many brewers. At Rowell's, in June 1917, following restrictions placed on the manufacture of malt, the brewers held only sufficient stocks to brew until the following November. Arrangements were set in train by the Ministry of Food to pool malt stocks such that output could be more equitably adjusted between brewers, but the issue of permits allowing transfers of malt between firms was not executed sufficiently well in advance to reduce uncertainty. When Rowell's was contemplating its Autumn production in the Summer of 1917 it was in the knowledge that existing transfer permits expired in September of that year and beyond that the position had yet to be resolved. Even after the war Rowell's was making arrangements with brewers in Yorkshire to supply them with additional malt.[71]

In terms of labour, the initial impact of war was to deprive the industry of experienced staff. Brewers, along with other

industrialists, were encouraged to allow those eligible to join up. Figures are difficult to come by but Vaizey suggests that up to half the men in many breweries either volunteered or were conscripted. At the end of 1915 the chairman of Newcastle Breweries put the staff lost for military and other war industries at 110, whilst the local Trade Defence Association estimated that 800 men from the trade in the 'Northern District' had enlisted. It is also known that Cameron's had 24 employees on military service within the first few weeks of the war and that the managing director of Rowell's reported in May 1915 that:

> At the date of the declaration of war, our staff consisted of 82 men, 36 over military age of 38. Of the balance of 46, 20 enlisted, and 3 were employed making munitions. This, without taking account of the physically unfit (and some have been rejected), gives a percentage of 50%.[72]

By the end of 1916 198 employees of the North Eastern Breweries had joined up. Not only members of the general workforce were away on military duty but some of the important principals in firms. A number, of course, were killed and although full records are not available, it is known that 23 employees of Newcastle Breweries were lost in action.[73]

The anxiety in the industry caused by the removal of staff to war duties was not confined to the lack of experience of the new employees but arose because not all work in brewing firms could be done by the females and juveniles who formed most of the replacements. This was particularly true of those operations involved in the malting of barley, where most of the work was considered too heavy.[74]

For those who spent the war working in the industry relations with employers appear to have been good. In 1914 the *Brewery Trade Review* had warned brewers about the activities of the recently formed National Union of Brewery Workers which they felt should be discouraged as relations between all engaged in the industry would 'not be advanced by the extension of trade unionism to brewing'.[75] During the war brewers tended to grant general increments in the form of 'war bonuses' rather than specific adjustments to pay scales of particular employees through negotiation. Some unions did, however, continue to press for wage rises for certain workers, as happened at Rowell's in 1916. Here, the Amalgamated Union of Labour applied for a 4s per week advance on behalf of women employed in their bottling factory. The directors refused to entertain this claim but granted all brewery-based manual wage-earner's a war bonus of Is per week. The firm's draymen then demanded an advance of 4s per week, and when their representatives were interviewed by board members they intimated that they had hoped for some part of the claim and explained that those men doing similar work at Newcastle Breweries were receiving Is per week more than themselves. The response of the management was to agree to speak to the directors of Newcastle Breweries and give an undertaking to establish the same pay and conditions at Rowell's. In the event, the Rowell's draymen rejected what they felt to be the poorer conditions enjoyed by the Newcastle Breweries employees and settled instead for a war bonus equivalent to that awarded to brewery Staff.[76]

The management of Rowell's clearly felt themselves to be in a strong position when faced with pay claims and were able to take an uncompromising stance when the girls in the bottling department returned with another application for a 4s per week increase, backed up by threats to resign. The manager of the bottling factory advised the board thus:

> I suggest we pay them the minimum wage viz- 12s per week + 3s war bonus, the notice on behalf of the employees be accepted and the applicants to fill the vacancies be non-union hands. These vacancies can be partly filled by present staff who are not keen on the union and by the many women who are frequently soliciting for work.[77]

The firm took a more conciliatory line, arguing that they couldn't accede to the request but pointed out that other brewers paid no more than Rowell's and some important local bottlers paid only 12 and 14s respectively. Rowell's did, however, continue to increase wages all round via war bonuses during 1917. Only in one instance, in 1918 with the important skilled occupation of coopering, did Rowell's make a significant concession. An application for a 9s per week advance in wage rates was met with acceptable offer of 4s 6d, bringing the coopers' wages up from a prewar rate of £1.16.0d to £3.7.6d.[78]

By the end of the war most brewery workers in the North East seem to have been well-organised by the National Union of General Workers, who prepared a strong claim for an improvement in pay and conditions.[79] Negotiations between employers and employees were conducted through the Northumberland and Durham Brewers' Association and agreement was reached on a 48 hour week and pay rises that put able-bodied males, for example, on a minimum of 58s per week, (34s above that paid in 1914). Meetings between the union and the association continued and the 1919 agreement was superseded in early 1920 when the minimum was raised to 63s for men and 33s for women. Attempts by the union to fix wages for those in the retail trade failed when the association ruled it was not a matter for them since so many of the outlets were controlled by individuals and firms which did not belong to the association. Further negotiations with the brewery workers' unions in the closing months of

1920 raised scales again, leaving inside able-bodied men on 70s and transport workers on 71s per week.[80]

The tied trade

The fierce, turn of the century competition for retail outlets, which had abated after 1913, petered out completely during the years 1914-20. Given the restrictions on output and the difficulty of supplying existing outlets, it was not surprising that the piecemeal purchase of additional houses by brewers was almost non-existent.

In 1915 the annual meeting of the Northern Corporation was told that nothing was being done in the property market. Owners, it was said, were unwilling to recognise the fall which had taken place in the value of licensed properties and purchasers were unwilling to extend their interests until the disturbance caused by war and legislation had settled down. Nonetheless, the two largest tied-house owners in the region made acquisitions during the war. The North East Breweries bought three properties in 1915, spent a little over £25,000 on new premises in 1917 and paid out a further £56,000 in the following year. Newcastle Breweries also picked up a few licensed premises between 1916 and 1918. The major priority for all brewers was, however, the maintenance and repair of existing estates, at least as far as circumstances allowed. Cameron's was also concerned about the fall in public house values since the Finance Act of 1910 and continued throughout the war to write-off £20,000 per annum to reflect the fall, in addition to setting aside reserves to meet future outlays on licensed property.[81]

Once the war had drawn to a close there were signs that brewing companies were again willing to extend their tied estates. Newcastle Breweries bought four houses in 1919 and Warwick's of Darlington also bought property, whilst Geo. Younger went to auction to buy the freeholds on houses already leased by them.[82] The minute books of Rowell's show a considerable post-war step-up in involvement in the licensed property market, although it only resulted in a handful of purchases. In the years 1919 and 1920 fifteen individual houses (offered to the company in locations throughout the North East) were turned down, although in half the cases inspections were made of the properties and particulars of takings and prices were examined. Serious consideration was also given to purchasing the estates of local brewers or wine merchants such as J.H. Graham, MacFadyan & Co. and J.A. Anderson, which came onto the market during the period. None, however, were purchased. Rowell's was however successful at auction on at least three occasions.[83]

The only significant wholesale acquisition of licensed property during the period, apart from those houses acquired by Cameron's in its takeover of Robert Newton, was the purchase by Newcastle Breweries of the properties of Matthew Wood & Son Ltd. In 1919 the directors of Newcastle Breweries authorised the purchase from Wood, the former South Shields brewer, of all their licensed premises and some other properties for £75,000. Wood & Son then reduced their capital from £57,000 to £10,500 by paying off £15,000 preference capital and returning 15s per share to the holders of 42,000 £1 ordinary shares. 1841

The shortage of labour and increased cost of building material had dissuaded even the better placed companies like North Eastern Breweries from carrying out any substantial alterations to their tied houses, but a number, like Rowell's for example, carried out minor improvements such as the installation of electricity. Nor was the building of new houses a possibility immediately after the war. Even if the resources, both physical and financial, had been available, the attitude of licensing magistrates was an impediment. In what may have been the only attempt to build a new public house during the period, the Durham and North Yorkshire Public Houses Trust failed in their licence application for the premises they intended to construct on a site with a growing population at Blackhall.[85]

With the erection of no new houses and property purchases by brewers being isolated examples rather than the rule, the brewers' degree of control over licensed property remained static over the period 1914-20. An important pre-war consideration with regard to tied estates had been the operation of the Compensation Act, but during the war the trade press commented a number of times on the uneventful nature of brewster sessions compared with earlier years. This general comment would seem to apply in Durham City, for example, where only five houses were referred for compensation in the period 1914-18. However, in licensing districts such as Newcastle, which possessed such a high number of licences when the Compensation Act came into force, the process of systematic licence reduction continued. By the end of the war a total of 118 licences had been taken away since 1905 but this still left 427 on-licences and 169 off-licences. In 1918 magistrates considered the area around the Close, between the river and railway station, where twelve houses served a population of about 1,000. The Chief Constable thought four or five houses were sufficient and the magistrates duly reported eight for compensation. The next year the bench turned its attention to Scotswood Road and eight of the thirty premises were refused renewa1J861 In other parts of the North East the pace of licence reduction slowed down but, in certain divisions in particular years, some brewers lost a number of houses. For instance, North Eastern Breweries lost seven licences in 1915; Border Breweries lost three licences in Berwick in 1917; Newcastle Breweries lost

Year	£m
1913-14	9.97
1914-15	11.68
1915-16	13.18
1916-17	14.22
1917-18	24.39
1918-19	30.19

Table 55. Brewery profits 1913-1919. Source. *Brewing Trade Review*, 1 September 1924.

Period covered	Number of companies covered	Increase in profits over previous year (%)
Year ending	91	4.4
Year ending	81	8.8
Year ending	77	5.6
Year ending	114	26.6
Reports published during 1918	107	22.7
Year ending	113	17.2

Table 56. Aggregate annual increase in brewers' profits 1914-1919. Source. *Economist* 25 May 1917, 10 October 1918, 1 March 1919 & 30 August 1919.

three in Tynemouth in 1919; and Jas. Deuchar, Fenwick's and Vaux all lost licences on public houses they owned in Sunderland in 1917.[87]

Performance

The profitability of the industry

Comprehensive studies of the industry's profitability are not available, but from a series of responses to Parliamentary Questions the total estimated profits of all brewing concerns can be summarised as in Table 55. These figures suggest that brewery profits trebled over the period. However, a survey of the performance of 16 leading brewery companies between 1914 and 1919 reported an increase in net profits over the period of 100%.[88] At varying points during the period the financial press scrutinised the industry, with the Economist, for example, carrying out analyses of annual returns from time to time, the results of which have been gathered together in Table 56.

Although a different number of firms were covered by each survey the numbers are such that the results can be regarded as generally indicative of the performance of the sector as a whole. Whilst the growth in profit in Table 55 is of much greater magnitude than that revealed by Table 56, this apparent discrepancy should not be allowed to obscure one fundamental point: even when allowing for the usual caveats about the decline in the purchasing power of the pound and the much heavier tax rates which had to be offset against these pre-tax sums, the overwhelming conclusion remains that during the period 1914-20, despite all the impositions by the Government, brewery companies enjoyed prosperous times. It is also the case that even though doubts must surround the accuracy of the parliamentary estimates and questions must be asked about the comparability of the numbers of firms used by the *Economist* and the degree to which they are typical of the entire industry rather than the public companies operating therein, there is nevertheless some concurrence on the pattern of rising profits during the period. Increased profits at the outbreak of war were followed by a check on the rate of growth until the end of 1917 when there began again an appreciable acceleration in profits.

What the aggregate summaries hide, of course, is any detail of the performance of particular firms or the distribution of results around the overall average. Whilst the industry, be it national or regional, undoubtedly fared well overall, it is inevitable that some individual brewers did better than others. The verdict of the Economist was that those with popular brand names and numerous tied houses did better than the smaller companies which, for example, found it less easy to raise their prices.1891 This argument is borne out to some extent in the North East with both Newcastle Breweries and the North Eastern Breweries frequently cited by commentators as companies doing well in a national context.[90]

Performance of North East firms

Following the general pattern for the industry, North Eastern Breweries enjoyed their most profitable year to date in 1917 and went on to exhibit a steady growth in earnings.1911 The Newcastle Breweries' net profit performance, however, showed a slight lag (Table 57). Their net profits growth rate

	Newcastle Breweries Ltd		John Rowell & Sons Ltd	
Year	Gross profit £	Net profit £	Trading profit £	Net profit £
1914	150,065	56,067	36,543	12,677
1915	160,621	61,964	37,455	13,240
1916	181,913	81,372	45,057	14,413
1917	183,789	91,152	82,745	19,049
1918	186,789	100,328	86,692	24,607
1919	272,482	177,044	102,325	35,862

Table 57. Profits of Newcastle Breweries Ltd and John Rowell & Sons Ltd: 1914-19. Source. Newcastle Breweries Ltd Annual Reports 1914-19, Tyne and Wear Archives Service (TWAS) 1463/125-172; John Rowell & Son Ltd Annual Reports 1914-19 in Directors' Minute Books 3 & 4, TWAS 2319/2/1-2.

over the period 1914-19 was 216%, matching that for the industry (205%) given by Table 55. But Table 57 reveals that the growth rate, which represented a 31% leap in 1916, then slackened off to around 10% per year until 1919 when it increased dramatically. For Rowell's (Table 57) net profits went up by 183% over the same period but this overall increase, not dissimilar to Newcastle Breweries and the national performance, displayed a rather different pattern. After growth rates of less than 5% and 9% in 1915 and 1916, net profits then rose by approximately 30% in each of the next two years and by 46% in 1919. It has to be said that the dramatic improvement in brewers' profit performance during the war and immediately afterwards was made to look all the more flattering by their record in the decade before 1914. Nonetheless, there is no doubt that firms proved themselves adept at exploiting the opportunities that presented themselves and emerged from the war in a healthier state than that in which they entered it. Do-spite the constant complaints of rises in raw material costs, high duties, output restrictions and the loss of skilled personnel, higher profitability was the norm.

How higher profits came about, declared the Economist in 1919, 'may perhaps puzzle the economic historians of tomorrow'.[92] Its own explanation lay in the obvious factor of increased beer prices and also in the greater revenues secured from the sale of by-products, with 'a good deal due to better organisation consequent on Government regulation'.[93] Part of the explanation may also lie in the increased prosperity experienced by industrial workers in those areas where there was an abundance of war work. The trade journals, always sensitive to accusations of profiteering, argued that inflation meant that the real increases were far from excessive.[94] They were also at pains to point out that only a proportion of profit was the result of brewing and beer sales, much of it coming from wine and spirit wholesaling, rent receipts and earnings on investments.

The individual brewers themselves offered little if any comment on the causes of their new-found prosperity other than the occasional reference to the state of trade in the locality. For instance, in 1915 the chairman of Newcastle Breweries stated that their larger profits were 'no doubt mainly due to the war which had furnished a large amount of employment in trades mostly carried on in the district'.[95] Although never acknowledged by the brewers themselves, the substantial price rises had a real impact, with companies' abilities to increase or at least maintain gross profit levels on smaller turnovers as testimony to that. No brewer was immune from the national decline in sales, although some presumably coped better than others. For example, at the end of 1914 North Eastern Breweries output was more than 10% down on the corresponding period of 1913 and in some weeks was cut by half. In the first year of the war Rowell's reported a decline in trade slightly less than the national figure of 25% and at the end of 1915 Cameron's local trade and that with its tied houses was down by the same margin. But weaker beer at higher prices compensated for the potential fall in earnings. At Rowell's, for instance, an annual decline in barrelage of 21% was accompa-

	1914 %	1915 %	1916 %	1917 %	1918 %	1919 %	1920 %
Cameron's	16	18	18	18	18	22	22
Jas. Deuchar	10	12	12	12	20	20	25
Robt. Deuchar	0	0	0	30	30	50	50
R. Fenwick	5	5	5	10	10	10	10
Newcastle Breweries	8	10	10	15	15	15	12
North Eastern Breweries	12	12	12	12	15	17	12
W.B. Reid	10	9	10	10	10	`15	12
J. Rowell	6	6	7	10	15	15	10
Border Brewery	0	0	0	0	0	0	0

Table 58. Ordinary dividends (including bonusses) of some North East brewing companies 1914-20. Source. Stock exchange official intelligence, 1914-20.

nied by an increased turnover from £26,202 to £33,326, much of it explained by the additional beer duty.[96]

Table 57 throws up an interesting apparent anomaly in the relative growth rates of gross and net profits between 1914 and 1919. For Rowell's the increase in both is about 180% but for Newcastle Breweries the gross profit increase is less than half of the net profit rise. Why Newcastle Breweries net profits should grow at a much faster rate than its gross profits may be partly explained by different accounting practices to Rowell's but it is also a reflection of war-time conditions and the asset strength of the company. With no significant purchases of licensed property or plant for most of the period, depreciation stood at the same figure in 1919 as it did in 1914. Similarly, the amount spent on repairs and alterations to property showed no appreciable increase until 1919. Compensation fund charges and licence duties, which in 1914 had been quite large, had dwindled to nothing by 1918. As well as this list of costs which failed to keep pace with gross profit changes, the company was able to benefit from the income earned on much larger levels of investments and, with its extensive tied estate and other properties, continued to derive substantial incomes from rents etc.

Appropriations of profit

As brewers made even greater profits, shareholders enjoyed higher dividends. One calculation put the average dividend on the ordinary capital of over a hundred brewery companies at 7.7% in 1914 and 19.4% by 1919.[97] Table 58 shows the dividend records of some North East brewers during the period 1914-1920. Newcastle Breweries was distributing 172,000 in dividends in 1919 compared with £28,000 in 1914. Although this increase was partly due to the doubling of the number of ordinary shares in 1919, the actual increase in ordinary dividend paid out over the period had multiplied by a factor of 3.75. This turnaround in fortunes of some North East firms can be seen in the case of Robt. Deuchar, which began declaring large dividends in 1917, their first since 1907.[98] Like the other Deuchar company, all ordinary shares were held privately, so that sizable distributions made toward the end of the period represented significant profit-taking by the original proprietors.

Not all the region's brewers were in a position to distribute profits. The Border Brewery Co. had not declared a dividend since 1904 and the seriousness of its financial position was highlighted by the fact that by 1920 it was still 16 years in areas with preference dividends. One firm that did recover by the very end of the period was Duncan & Daglish, which met all its commitments towards preference shareholders and was about to declare a dividend on ordinary share capital for the first time since 1905.[99]

Burgeoning profits not only allowed the leading companies to pay higher dividends but also permitted them to transfer more to reserves and increase the carry forward of unappro-

	31.10.14 £	31.10.15 £	31.10.16 £	31.10.17 £	31.10.18 £	31.10.19 £
Total investments	94,575	99,808	133,032	246,485	385,442	369,098
Net value of freehold etc. property	1,033,432	1,030,862	1,042,107	1,039,983	1,073,428	1,157,731
Stocks at valuation	108,961	132,872	173,287	187,383	183,624	387,924

Table 59. Extracts from Newcastle Breweries' Balance Sheets, 1914 - 1919. Source. Newcastle Breweries Annual Reports 1914-1919, Tyne and Wear Archives 5ervice 1463/125-172.

priated profits.[100] The Newcastle Breweries' 'general reserve' account had risen from £186,532 in 1914 to £300,000 by the end of 1918. Other companies had built up considerable reserves by the end of the war with Cameron's holding a general reserve of £450,000 and North Eastern Breweries with one of over £225,000. Sizeable reserves had also been built up by W.B. Reid, Jas. Deuchar and Rowell's. Robt. Deuchar's reserve fund was £75,000 but in addition had investments, representing the value of Simson &. McPherson's ordinary share capital held, of £208,000.[101] The way in which the war years enabled brewery companies to strengthen their balance sheets can be seen with reference to Newcastle Breweries (Table 59). The company made no substantial purchases of property until the Addison Potter maltings in 1918, and with the depreciation policy continuing during the war the net value of property held by the company in 1919 did not differ significantly from the amount held in 1914. It was in stocks and the intangible asset of investments that big rises are seen. Newcastle Breweries' investments in allied companies were written down by 20%, but it was the use of the company's new found prosperity to buy only financial assets (most particularly War Loan Stock) which explains the quadrupling of total investments. The doubling of stock values in 1919 was due to the company's policy, pursued less successfully during the war, of the laying down of the largest possible stocks of spirits and building up malt and hop stocks.[102]

Summary

By 1920 the brewery firms operating in England and Wales were defined by a government committee as follows:

> many concerns are private companies. There is a great variation between one concern and another. Some brewers stand on very valuable sites; most of them are on sites not more valuable than any part of the surrounding area, and there are many intermediate cases ... Some have many tied houses and some have few. Neighbourhoods also differ, and their differences affect brewery concerns in various ways. Where population is dense and the tied houses are near at hand, the distribution of beer is cheap, quick and simple. Where the population is sparse and the tied houses are scattered, the cost of the distribution becomes a serious charge ... One district may be prosperous and improving, another stationary, or on the decline. Town differs from country, and one town from another town. Some places have a special water supply. Independently of tied houses, some concerned have a large family trade ... Trade marks and trade names and a long-established reputation all possess their own peculiar features of profit and performance.[103]

This description of the industry nationally could equally apply to the North East. The years 1914-20 were a period of co-existence in the region's industry of brewers with contrasting characteristics. Smaller, private firms operated alongside the larger public companies, and even within some public companies significant shareholdings remained in the private hands of the original proprietors. The big brewers occupied extensive facilities in Newcastle and towns such as Gateshead, Sunderland and West Hartlepool, but at the same time sizeable firms operated from smaller centres such as Castle Eden. Whilst the larger firms had updated and rationalised production facilities as much as the circumstances of the period permitted, a number of lesser brewers continued to use facilities which but for war-time conditions would otherwise have been considered obsolete. A general inactivity in the licensed property market had retained the pattern of tied house ownership established by 1914. War-time requisitioning had depleted transport fleets but offered those with densely and closely situated tied estates the opportunity to economise on delivery. However, transport difficulties and reduced output did act as a brake on expansion by ambitious firms into trading further afield. Moreover, normal competitive instincts gave way to the exigencies of wartime, profitability rose, and cooperation between firms was stimulated by government intervention.

References

Chapter 5

1. Dingle, A.E. (1972) 'Drink and Working Class Living Standards in Britain, 1870-1914', *Economic History Review*, 2nd Series. Vol XXV, pp. 608~22.

2. There is little evidence of North East brewers employing representatives in other parts of Britain or abroad, although Newcastle Breweries did employ an agent for the Scandinavian countries, based in Copenhagen in 1909, but this seems to have been for the sale of whisky rather than beer (Newc B Min 2 TWAS 1463/7).

3. *Newcastle Daily Journal*, 7 March 1900. Vaizey, J.E. (1960) *The Brewing Industry, 1886-1952*. London: Pitman, p.17 argues that 'price competition, in the sense of price-cutting, was almost unknown'.

4. *Newcastle Weekly Chronicle*, 28 December 1901.

5. Hawkins, K.H. and Pass, C.L. (1979) *The Brewing Industry. A Study in Industrial Organisation and Public Policy*. London: Heinemann, p.41.

6. See, for example, Vaizey, J.E. (1960) op. cit., p.18-19.

7. For Vaux see *Vaux News*, December 1979; for steam-powered developments see Maynard, F.M. (1990) 'Motor Traction for Brewers', Paper given to Yorkshire and North East Section of the Institute of Brewing, 23 February 1900 (*Journal of the Federated Institute of Brewing*, Vol. VI, 1900, pp.197-218); and for difficulties with rail see *Brewing Trade Review*, 1 June 1913.

8. For discussions on the merits of steam and horse power see Peaty, I. (1987) 'Beer Deliveries by Steam Wag on', *Brewery History*. No. 51, November , and Maynard, F.M. (1990) op. cit.; and for the arrangements at Newcastle Breweries and Forster's see Newc B Min 1 TWAS 1463/6 and *Newcastle Daily Journal*. 9 March 1903. One large national brewer was reported in 1904 to have been using a steam wagon for four years which had covered a total of 24,800 miles (*Newcastle Daily Journal*, 25 February 1904).

9. For developments in steam and petrol wagons see Miller, H. (1908) 'Motors for Brewers', *Brewing Trade Review*, 1 January 1908 pp.12-14 and *Brewing Trade Review*, 1 August 1913; for the impact of railway rates see Vaizey, J.E. (1960) op. cit., p.18; and for Rowell's see Rowell Min 3 TWAS 2319/2/1.

10. Hawkins, K.H. and Pass, C.L. (1979) op. cit., p.36.

11. *The Times*. 10 October 1913.

12. *Royal Commission on Liquor Licensing Laws*, Third Report 1898, (Cmd 8693/4), S.B. Burton's Evidence p.105.

13. Newc B Min 1 TWAS 1463/6.

14. *Newcastle Daily Journal*, 14 July 1907. Also in 1907, the North Eastern Breweries bought several properties. A year earlier the same company had acquired a site in Stockton on which it built a theatre and an arcade (*Newcastle Daily Chronicle*, 29 December 1906 and 28 December 1907).

15. Girouard, M. (1984) *Victorian Pubs*. London: Yale University Press. p.87.

16. Newc B Min 1 & 2 TWAS 1463/6 & 7.

17. R. Deuchar Min 1 & 2 TWAS 2336/27/1 & 2 and *Newcastle Daily Journal*, 14 March 1902, 11 August 1904 and 14 December 1905.

18. Darlington Planning Applications DCRO Da/Na/2/2765, 3445,4114 and 3582.

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

20. The Licensing Act 1902 dealt with some of the recommendations of the 1899 Commission. Whilst it gave greater powers to magistrates over off-licences and structural alterations in licensed premises, it was regarded by opponents of the trade as a very tentative approach to the drink problem. Brewers themselves welcomed the Act, which introduced registration for clubs.

21. Pratt, E.A. (1907) *The Licensed Trade*. London: John Murray, p.247.

22. See *Newcastle Daily Journal*, 3 June 1904.

23. Based on statistics published in the NTDA(ND) Ann Rep 1914 TWAS EM/TDA/2/1.

24. For reports of brewster session proceedings see *Newcastle Daily Journal*, 8 February 1905, 23 February 1905, 20 March 1907, 8 May 1907, 15 May 1907 and 24 January 1908.

25. *Brewing Trade Review*, 1 December 1906 and 1 January 1909 and *Newcastle Daily Journal*, 23 February 1904 and 17 September 1907.

26. Newc B Min 2 TWAS 1463/7 and *Newcastle Daily Journal*, 24 July 1908.

27 On the financial impact of levies, W.B. Reid, for example, paid £3,166 in 1906 (*Brewing Trade Review*, 1 April 1907) and North Eastern Breweries £3,500 in 1905 (*Newcastle Daily Chronicle*. 29 December 1905). With regard to the shortfall between awards and claims, in 1905, for example, awards were made totalling £8,240 on claims totalling £14,888. Again, in 1906, awards of £19,952 were made on claims of £33,152 (*Newcastle Daily Journal*, 15 May 1907). When it came to the surrender of licences, it seems that brewers quickly became aware that magistrates were, in many cases, naturally reluctant to permit the building of new licensed houses and to overcome this brewers adopted an overtly responsible stance. This was best achieved by acknowledging the over-abundance of houses in particular districts by relinquishing licences or at least offering no objections to houses being referred for compensation.

28. *Newcastle Daily Journal*, 21 March 1907 and 23 February 1905.

29. For the origins of the trusts see Cumming, A.N. (1901) *Public House Reform*. London: S. Sonnenschein & Co., p.12 and *Newcastle Daily Chronicle*, 21 August 1901; and for the Durham and North Yorkshire Trust's estate see *Brewing Trade Review*, 1 August 1909. As for the problems faced by the trusts, it seems that they not only lost licences but were in a weaker position when applying for new licences because they had no existing licences they were prepared to offer to relinquish.

30. Pratt, E.A. (1907) op. cit., p.191.

31. ibid.

32. *Newcastle Daily Journal*, 22 June 1905 and *Newcastle Daily Chronicle*, 29 December 1905.

Authority	1911 %	1912 %	1913 %	1914 %
West Hartlepool	No levy	25	100	100
South Shields	25	25	50	50
Gateshead	75	100	100	100
Sunderland	100	100	100	100
Durham County	50	75	65	50
Tynemouth	100	80	100	100
Newcastle	80	80	100	100
Northumberland County	100	100	75	75

Proportion of maximum compensation ley imposed, 1912-1914. Source. NTDA (ND) Ann Rep 1920 TWAS EM/TDA/2/1).

33. WAB Min 2 DCRO D/WAB/3.

34. Rowell Min 3 TWAS 2319/2/1. The Hebburn club had to deposit their lease on the premises as collateral, the club being required to purchase all its draught beer frorn the company and the company had the power to nominate a representative to sit on the club's committee. At Dinnington the mortgage was granted on condition that '20 substantial members undertook to give guarantee for the repayment of the sum of £800 in case of default by the club' and also the trade in beer was tied to the brewery.

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

36. NEB Properties c1910 DCRO Va/72.

37. *Newcastle Daily Journa1*, 22 December 1900.

38. Baker J.L. (1905) *The Brewing Industry*. London: Methuen and Co., p.9.

39. see Donnachie, I. (1979) *A History of the Brewing Industry in Scotland*. Edinburgh: John Donald, Table 76, p.217.

40. ibid., p.193.

41. In Alloa, Calder's brewery was built alongside the harbour and Geo. Younger & Co. had its own private jetty. For McClay, however, goods had to be transferred to railway goods stations and then taken by rail to Leith before continuing by sea. (McMaster, C. (1985) *Alloa Ale. A History o f the Brewing Industry in Alloa*. Edinburgh: Alloa Brewery, pp.31,47 & 60). Figures for shipments between Leith and Sunderland are taken from River Wear Commission, Traffic Abstracts, Goods from Leith (Imports) by Steamer TWAS 202/2959. For the launch of Deuchar's 'Lochside' see *Shieids Daily News*, 19 July 1905.

42. Figures supplied by Bass Archives.

43. For Usher's see *Newcastle Daily Journal*, 19 June 1890; and for Whitbread see *The House of Whitbread*, January 1928 and October 1931.

44. *Newcastle Daily Chronicle*, 3 December 1912 and *Tyneside Industries* (1889) p.122.

45. Donnachie, I. (1979) op. cit., p.217.

46. See Chapter 4.

47. N & DBA Ann Rep 1888 TWAS AS/BA/1/1.

48. N & DBA Ann Rep 1891 TWAS AS/BA/1/1.

49. NTllA (ND) Ann Rep 1895 TWAS EM/TDA/1/1.

50. NTDA (ND) Ann Rep 1895 TWAS EM/TDA/1/1.

51. Newcastle Daily Leader, 20 July 1895.

52. As the table above shows, only a proportion of the maximum levy was charged in some North East districts and the trade organisations made much of this. However, in the large urban areas, where referral and compensation were thought to be a most necessary, the maximum levy was the norm.

53. N & DBA Ann Rep 1910-1914 TWAS AS/BA/6/1.

54. N & DBA Ann Rep 1910-1914 TWAS AS/BA/6/1.

55. N & DBA Min 1 TWAS AS/BA/1/1.

56. N & DBA Min 2 TWAS AS/BA/1/2.

57. *Royal Commission on Liquor Licensing Laws*, Third Report 1898 (Cmd 8693/4) Lovibond's Evidence p.368.

58. Hartlepool Lic Reg CCA Ps/Ha2fi, Houghton-le~Spring Lic Reg TWAS MG/HS, Durham City Lic Reg DCRO PS/Du/29 and Darlington Lic Reg DCRO P5/DAR/54.

59. E Castle Lic Reg TWAS 1809/4/2 and Newcastle Lic Reg TWAS MG/Nc/9/1-~l and 10/1-3.

60. *Newcastle Daily Chronicle*, 28 December 1901.

61. NEB Properties c1910 DCRO Va/720.

62. *Newcastle Daily Journal*, 29 December 1905.

63. Jarrow Lic Reg TWAS MG/Ja/3, Gateshead Lic Reg TWAS biG/Ga/10/3 and Blaydon Lic Reg TWAS MG/B1/4/1.

64. For Newcastle Breweries see Newc 13 Prospectus, 1890 TWAS 2319/5; Newc B Properties 1890-1897 TWAS 1863; and Newc B Properties 1914 TWAS 1463/276. For North Eastern Breweries see *Brewing Trade Review*, 1 June 1899 and NEB Properties c1910 DCRO Va/72.

65. For discussion of the allocation of management duties see Baker J.L. (1905) op. cit., p.142.

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

67. For Cameron's see Wood, R. (1963) *The Lion Brewery. A*

Short History. West Hartlepool: J.W. Cameron, p.27; for Clayhills see *Northern Echo*, 25 April 1934; for Newcastle Breweries see Bennison, B. & Merrington, J.P. (1991) The Centenary History of the Newcastle Breweries, 1890-1990. Newcastle upon Tyne: Newcastle Breweries, pp. 9, 35 & 43; and for North Eastern Breweries see *Brewing Trade Review*, 1 June 1913. Family members also took over, for example, at Vaux, Thos. Lamb, Tucker's, Nimmo's, Rowell's and Lumley's.

68. *Brewing Trade Review*, 1 March 1910, 1 March 1912 & 1 December 1908 and *Newcastle Daily Journal*, 19 February 1907, 24 February 1907 & 27 December 1902.

69. *Newcastle Daily Journal*, 31 December 1906.

70. See, for example, Donnachie, I. (1979) op. cit., p.190.

71. Baker J.L. (1905) op. cit., p.142.

72. *Brewing Trade Review*, 1 January 1905.

73. Letter signed by W.H. Blake, August 1900 North Eastern Breweries. Correspondence of Thos. Humphrey. DCRO D/Va 176.

74. Chandler, A.D. (1990) *Scale and Scope. The Dynamics of Industrial Capitalism*. Cambridge, MA: Harvard University Press, p.267.

75. Bird, W.H. (1955) *A History of the Institute o f Brewing*. London: Institute of Brewing, p.2.

76. ibid., pp.2-16.

77. For Monkseaton Brewery see *Brewing Trade Review*, 1 April 1898; for Johnson and Darlings see *Brewing Trade Review*, 1 March 1910; for West Auckland Brewery see VVAB Min 1 & 2 llCRO D/WAB/2-3; and for Cameron's see *Brewing Trade Review*, 1 April 1900.

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

79. Stopes, H. (1895) *Brewery Companies*. London: 'The Statist' Office, p.36. For discussion on the different materials, plant and processes see *Brewers' Guardian*, 6 February 1900 and *Brewing Trade Review*, 1 October 1900.

80. *Brewing Trade Review*, 1 May 1913 & 1 October 1900.

81. Report of an Enquiry by the Board of Trade into the Earnings and Hours of Labour of Workpeople of United Ktingdom (1906), Vol III (Cmnd 6556) pp.199-200 and *Brewing Trade Review*, 1 August 1913.

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

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

84. Gourvish, T.R. and Wilson, R.G. (1985) 'Profitability in the Brewing Industry, 1885-1914', *Business History*. Vol XXVII, No. 2, July, pp.146-fi5.

85. Stopes, H. (1895) op. cit., p.7.

86. For example, see *Statist*, 18 August 1900, 1 February 1902 & 28 January 1905.

87. Vaizey, J.E. (1960) op. cit., p.16.

88. Letter to Murray from stockbroker dated 7 March 1908 North Eastern Breweries. Correspondence of Thos. Humphrey. DCRO D/Va 177.

89. For example, Newc B Ann Itep 1890 TWAS 1463/25-172.

90. Newc B GM Cuttings TWAS 2319/5.

91. *Financial Times*, 30 December 1892.

92. For Newcastle Breweries see Newc Brew Ann Rep 1890-1914 TWAS 1463/25-172 and for North Eastern Breweries see *Newcastle Daily Chronicle*, 29 December 1898 & 28 December 1899.

93. *Newcastle Daily Chronicle*, 28 December 1900.

94. For Newcastle Breweries see Newc B Ann ltep 1901 'l'WAS 1463/125-172; and for Cameron's and Border Brewery see *Brewing Trade Review*, 1 January 1903 & 1 February 1903.

95. For Alnwick Brewery see *Brewing Trade Review*, 1 April 1902; for Newcastle Breweries see Newc B Ann Rep 1902 and 1903 TWAS 1963/125-172; and for Cameron's see *Brewing Trade Review*, 1 January 1904.

96. For North Eastern Breweries see *Newcastle Daily Chronicle*, 29 December 1905. As regards the true impact of rating assessments, Gourvish, T.R. and Wilson, R.G. (1985) op. cit. argue that 'brewers often successfully contested the rating valuations of their tied-house properties'.

97. *Newcastle Daily Chronicle*, 29 December 1906 & 27 December 1906.

98. For statements on the cause of falling profits, see *Newcastle Daily Chronicle*, 30 December 1908, 23 December 1908 & 21 December 1908 and *Brewing Trade Review*, 1 January 1909. For the views of Gateshead Breweries Corporation and Newcastle Breweries see *Brewing Trade Review*, 1 June 1908 and Newc B GM Cuttings TWAS 2319/5.

99. Newc B Ann Rep 1910 TWAS 1463/125-172 and Stock Exchange Official Intelligence 1911.

100. *Newcastle Daily Chronicle*, 30 December 1910.

101. Newc B Ann Rep 1912 TWAS 1463/125-172 and *Brewing Trade Review*, 1 January 1913.

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

103. ibid., 1 November 1916 & 1 December 1910.

104. *Newcastle Daily Journal*, 19 August 1916.

105. ibid., 30 September 1908. The trustees for the debenture stockholders was W.P. Manners, Chairman and Managing Director of Worthington.

106. Bord B Min SBA BB1.

107. R. Deuchar Min 1 & 2 TWAS 2336/27/1 & 2 and Stack Exchange Official Intelligence 1915.

108. *Newcastle Daily Journal*, 27 December 1913.

109. *Economist*, 15 March 1913.

Chapter 6

1. See, for example, *Brewing Trade Review*, 1 September 1914.

2. Defence of the Realm Act 1914 and Defence of the Realm Act (No. 2) 1914.

3. Before justices could limit hours of sale there had to be reasonable grounds for such action. The initiative for the action rested on recommendations by police chiefs, and the more dramatic reduction in hours required the sanction of the Secretary of State. For early actions taken by local magistrates see *Newcastle Daily Journal*, 12 August 1914 & 14 August 1914, and for the first restrictions on the supply of drink to soldiers see *Newcastle Daily Chronicle*, 1

November 1914.

4. *Newcastle Daily Journal*, 30 March 1915.

5. Manchester Guardian, 9 April 1915.

6. Defence of the Rea1m (Amendment) No. 3 Act 1915.

7. Before the Central Control Board could schedule an area it had to obtain an Order in Council and to justify this an inquiry was held with all interested parties in the area to ascertain the prevailing conditions. Generally, however, inquiries resulted in the recommendation, approved by the Minister of Munitions, for an Order.

8. *Brewing Trade Review*, 1 August 1915.

9. ibid., 1 December 1915.

10. For estimates of the coverage of the Central Control Board see Shadwell, A. (1923) *Drink in 1914-1922: A Lesson in Control*. London: Longmans, Green and Co., p.85 and Carter, H. (1918) *The Control of the Drink Trade: A Contribution to National Efficiency, 1915-1917*. London: Longmans, Green and Co., p.134. For estimates of the impact on Newcastle Breweries' tied estate see *Newcastle Daily Journa1*, 30 December 1915.

11. Shadwell, A. (1923) op. cit., p.31.

12. *Newcastle Daily Journal*, 23 November 1916.

13. What became known as the 'Carlisle Scheme' was the initiative taken by the Central Control Board to bring brewing and retailing in a particular vicinity under direct state control. Initially, the experiment was confined to the area around the Gretna Green National Explosives Factory but many of the workers lived in Carlisle or travelled there at weekends and holidays to drink. When drunkenness statistics showed a large rise the Board set about acquiring 119 licensed premises in Carlisle and another 82 in the surrounding region, along with the area's five breweries. Rationalisation then took place as licences were suppressed and breweries closed. The Carlisle experiment, whereby brewing and the licensed trade was reorganised by the state, won the support of many of those seeking a national system of control. As a result, the Carlisle and similar smaller schemes featured prominently in the ongoing debate about the conduct of the liquor trade during the second half of the decade.

14. *Newcastle Daily Journal*, 20 May 1916.

15. General debate about state purchase of the liquor trade was cemented into specific proposals with Proposals for the State Purchase of the Licensed Liquor Trade (England & Wales) 1916 (Cmnd 8283) and State Purchase and Control of the Liquor Trade 1918 [Cmnd 9042).

16. The original order under the Output of Beer (Restriction Act) 1916 in March 1917 was followed by the order increasing the output limit by one third. However, this brenda was conditional on half of the total amount brewed not exceeding a gravity of 1036˚ and of the additional 33.3%, 20% was not to exceed 1036˚ and the remaining 13.3% could only be brewed under special licence for retail in munition areas. A 1918 order under the Output of Beer (Restriction) Act cut the 1917 additional 33.3% to 10.4% and reduced the maximum gravity to 1030˚. Output limits were increased by 25% in early 1919 and two other increases followed until July of 1919 when all output restrictions were lifted. Maximum gravities were raised by 2˚ at the beginning of 1919 and other increases followed until, in 1921, brewers were allowed to fix their own gravities.

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

18. Newc B Min 2 & 3 TWAS 1463/7 & 8.

19. For speculation on the national situation and the position in Sunderland see *Newcastle Daily Journal*, 15 March 1917 & 2 June 1917. For Rowell's see Rowell Min 3 TWAS 2319/2/1.

20. For the West Hartlepool scheme see *Newcastle Daily Journal*, 2 March 1918. The North West Durham Licensed Victuallers' Association considered various schemes, including refusing women admission to licensed premises (*Newcastle Daily Journal*, 23 March 1918). In the event, several licencees introduced an experimental system of voluntary rationing amongst their customers but this scheme was soon abandoned (*Newcastle Daily Journal*, 27 April 1918).

21. *Newcastle Daily Journal*, 25 May 1918 & 10 June 1918.

22. For the protests in Newcastle and Willington Quay see *Newcastle Daily Journal*, 8 July 1918 & 11 June 1919. For the statement of policy at Newcastle Breweries see *Newcastle Daily Journal*, 8 June 1919. Earlier, in 1917 the company had made a policy decision to close any or all of its managed houses on Mondays and any other times if it thought fit (Newc B Min 3 TWAS 1463/8).

23. N & DBA Ann Rep 1918 TWAS AS/BA/6/1.

24. *Iron & Coal Review*, 3 August 1917.

25. See Commission of 1917 Enquiry into Industrial Unrest, Summary of the Reports of the Commission, 8696) p.5.

26. N & DBA Ann Rep TWAS AS/BA/6/1.

27. For Ovington Brewery see *Brewing Trade Review*, 1 August 1918 and *Newcastle Daily Chronicle*, 1 October 1915 and for Joseph Johnson see *Brewing Trade Review*, the 1 May 1917. The relatively high capital structure of Johnson's business reflected the fact that the company's interests spread beyond brewing and included, for example, ownership of the Ilamsteels Collieries. For Thos. Lamb see *Brewing Trade Review*, 1 March 1917 and *Newcastle Daily Chronicle*, 1 April 1920.

28. *Newcastle Daily Chronicle*, 15 April 1920.

29. ibid., 8 September 1920.

30. *Newcastle Daily Journal*, 27 May 1919 & 28 May 1919. The exact origins of the brewery scheme are unclear. The first recorded discussion (*Newcastle Daily Journal*, 13 October 1919) is within the Durham Branch CIU, but reports on a canvass of 181 clubs list only 57 replies, of which only 37 promised to donate to a scheme. Although the meeting which agreed to go ahead with the Alnwick purchase was of both Northumberland and Durham delegates, only 9 Durham clubs were involved compared to 80 from Northumberland (*Brewing Trade Review*, 1 December 1919). It seems to have been largely initiative and the first report of the Northern Clubs' Federation, 18 September 1920 [reprinted and in the Elkins, T. (1970) *So They Their Own Beer*. Newcastle: Northern Clubs Federation Brewery, p.23] said that the 'Federation was the outcome of a scheme proposed by clubs in the West Tyne District ...

A similar movement was being initiated by the Northumberland Branch of the Club and Institute Union, and the two schemes were subsequently coalesced'.

31. This caused a few minor problems. Some clubs were registered under the Companies Act and others under the Friendly Societies Act. They were strongly urged to transfer to Industrial and Provident Society Act status.

32. First report of Northern Clubs Federation Ltd., 18 September 1920 [reprinted in Elkins, T. (1970) op. cit., p.23].

33. Elkins, T. (1970) op. cit., p.21

34. *Newcastle Daily Chronicle*, 25 November 1919 and *Newcastle Daily Journal*, 25 November 1919.

35. Elkins, T. (1970) op. cit., p.28.

36. *Newcastle Daily Journal*, 13 January 1920 and Wood, R. (1963) op. cit., p.31.

37. Stock Exchange Official Intelligence 1919 and 1920.

38. Gibson, M. (1974) A History of Blyth (Unpublished, unpaginated manuscript, Blyth Valley Central Library) says that 'wartime restrictions forced its closure in 1916'. Certainly, by 1924 it was reported that the Blyth & Tyne did not brew beer but got its supplies from a Newcastle firm (*Newcastle Daily Chronicle*, 10 December 1924).

39. For Newcastle Breweries see *Newcastle Daily Chronicle*, 25 December 1919 and for Rowell's see Rowell Min 4 TWAS 2319/2/2.

40. Newc B Min 2 & 3 TWAS 1463/7 & 8.

41. See *Brewing Trade Review*, 1 January 1919.

42. For Rowell's see Rowell Min 3 TWAS 2319/2/1; for North Eastern Breweries see *Sunderland Daily Echo*, 24 December 1915; for Cameron's see *Brewing Trade Review*, 1 September 1915 & 1 January 1916; for Newcastle Breweries see Newc B Min 2 & 3 TWAS 1463/7 & 8 and Newc B Ann Rep 1915-18 TWAS 1463/125 -172; and for Border Brewery see Bord B Min SBA BBI.

43. Bord B Min SBA BB 1.

44. For Newcastle Breweries see Newc B Min 3 TWAS 1463/8 and for Rowell's see Rowell Min 4 TWAS 2319/2/2.

45. See *Brewing Trade Review*, 1 March 1915.

46. Newc B Min 2 TWAS 1463/7.

47. *Brewing Trade Review*, 1 September 1914 & 1 October 1914.

48. Rowell Min 3 TWAS 2319/2/1 and Newc B Min 2 TWAS 1463/7.

49. For Rowell's see Rowell Min 4 TWAS 2319/2/2 and for Newcastle Breweries see Newc B Min 3 TWAS 1463/8. The unnamed brewer was reported in *Newcastle Daily Journal*, 19 July 1920.

50. *Brewing Trade Review*, 1 January 1919.

51. For elections of membership to the Institute see *Brewing Trade Review*, 1 May 1915—1 June 1917; for developments within the institute see Bird, W.H. (1955) op. cit., p.21; and for Newcastle Breweries' support for the institute and brewing science see *Brewing Trade Review*, 1 November 1919 and Newc B Min 3 TWAS 1463/8.

52. *Brewing Trade Review*, 1 January 1919.

53. N & DBA Ann Rep 1918 and 1920 TWAS AS/BA/6/1.

54. *Brewing Trade Review*, 1 January 1917 reported pooling taking place in Sheffield, Leicester, Sussex, Surrey and Hampshire. For the trade's reaction to departmental advisory committees see *Brewing Trade Review*, 1 May 1918 and for local reaction seen N & DBA Ann Rep 1918 TWAS AS/BA/6/1.

55. N & DBA Ann Rep 1918 TWAS AS/BA/6/1 and Bird, W.H. (1955) op. cit., p.19.

56. Bird, W.H. (1955) op. cit., pp.20-21.

57. Firstly, the Act limited the Trade Defence Association's political activities as an association and made them more reliant upon voluntary workers. Secondly, the extension of the franchise meant many women, some of them brewery shareholders and others licencees, would be voting for the first time.

58. NTDA (ND) Ann Rep 1919 TWAS EM/TDA/2/1.

59. On the reasons for price increases see, for example, *Brewing Trade Review*, 1 February 1916 and the letter from Newcastle Breweries to tenants, Newc B GM Cuttings TWAS 2319/5. For Newcastle Breweries' revision of prices see Newc B Min 2 TWAS 1463/7, for Border Brewery see Bord B Min SBA BBI; and for Rowell's see Roweil Min 3 TWAS 2319/2/1.

60. For the 1917 price rises see N & DBA Ann Rep 1917 TWAS AS/BA(611 and for the threatened boycott see *Newcastle Daily Journal*, 3 April 1917 & 9 April 1917.

61. NTDA (ND) Ann Rep 1917 TWAS EM/TDA/2/1.

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

63 *Newcastle Daily Journal*, 5 April 1917.

64. ibid.

65. See, for example, *The Times*, 20 June 1917.

66. *Newcastle Daily Journal*, 15 February 1919.

67. ibid., 31 March 1915.

68. *Brewing Trade Review*, 1 July 1915.

69. For the Durham & North Yorkshire Public House Trust see *Newcastle Daily Journal*, 13 July 1915; for the trend nationally towards spirits see *Brewing Trade Review*, 1 December 1918; and for Rowell's negotiations see Rowell Min 4 TWAS 2319/2/2.

70. For the significance of by-product sales see *Economist*, 30 August 1919; for the calls to brewers to utilise by-products made by the Board of Agriculture and Ministry of Food see *Journal of the Board of Agriculture*, May 1917 and *Newcastle Daily Journal*, 3 December 1917; for the investigations into the use of brewers' yeast for baking see *Brewing Trade Review*, 1 September 1917; and for the advice given to brewers on using hops as cattle food see *Brewing Trade Review*, 1 November 1918.

71. Rowell Min 3 & 4 TWAS 2319/2/1 2.

72. *Newcastle Daily Chronicle*, 14 May 1915. For Vaizey's estimate see Vaizey, J. (1960) op. cit., p.24; for Newcastle Breweries see Newc B GM Cuttings TWAS 2319/5; the Trade Defence Association see NTDA(ND) Ann Rep 1915 TWAS EM/ TDA/2/1; and for Cameron's see *Brewing Trade Review*, 11 September 1914.

73. For North Eastern Breweries' figures see *Sunderland Daily Echo*, 24 December 1915 and for Newcastle Breweries see *Newcastle Daily Chronicle*, 30 December 1918. As regards

principals at the outbreak of war Johnson and Co., for example, had the head of the firm and the managing director called up (*Brewing Trade Review*, 1 July 1914).

74. See *Brewing Trade Review*, 1 March 1916.

75. ibid., 1 September 1914.

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

77. ibid.

78. Rowell Min 4 TWAS 2319/2/2.

79. The union was reported to have members engaged in the trade in Alnwick, Bishop Auckland, Chester-le-Street, Darlington, Ferryhill, Gateshead, Castle Eden, Hetton-le-Hole, Newcastle, Spennymoor, South Shields, Stockton, Sunderland, West Hartlepool and Wallsend (*Newcastle Daily Journal*, 3 November 1919). The only evidence of brewery workers negotiating via a different union is at Joseph Johnson's Westoe Brewery, where the National Amalgamated Union of Labour was involved (*Newcastle Daily Journal*, 2 July 1918).

80. *Brewing Trade Review*, 1 December 1920, *Newcastle Daily Journal*, 3 November 1919, *Newcastle Daily Chronicle*, 4 November 1919 and N DBA Ann Rep 1920 TWAS AS/BA/6/1.

81. For the view of the Northern Corporation see *Brewing Trade Review*, 1 March 1915; for North Eastern Breweries' purchases see *Sunderland Daily Echo*, 24 December 1915 and *Investors' Chronicle*, 11 January 1919; for Newcastle Breweries purchases see Newc B Min 2 & 3 1463/7 & S, *Financial Times*, 2 January 1917 and *Newcastle Daily Journal*, 30 December 1916; and for Cameron's policy see *Brewing Trade Review*, 1 January 1916, 1 December 1917 & 1 February 1919.

82. For Newcastle Breweries see Newc B Min 3 TNVAS 1463/8; for Warwicks see *Newcastle Daily Journal*, 24 June 1919; and for Younger's see *Newcastle Daily Journal*, 19 July 1919 & 26 July 1919.

83. Rowell Min 4 TWAS 2319/2/2.

84. Newcastle B Min 3 TWAS 1463/8 and *Brewing Trade Review*, 1 July 1920.

85. For North Eastern Breweries see *Brewing Trade Review*, 1 January 1916; for Rowell's see Rowell Min 4 TWAS 2319/2/2; and for Durham North Yorkshire Public House Trust see *Newcastle Daily Journal*, 4 August 1920.

86. For Durham City see Durham City Lic Reg DCRO Du/29; for Newcastle see *Newcastle Daily Journal*, 5 February 1918, 2 March 1918 & 1 March 1919.

87. *Newcastle Daily Journal*, 6 February 1917, 20 July 1917 & 28 May 1919 and *Sunderland Daily Echo*, 24 December 1915.

88. *Economist*, 4 September 1920.

89. ibid., 26 May 1917.

90. See, for example, *Financier*, 28 December 1916.

91. *Newcastle Daily Journal*, 24 December 1917.

92. *Economist*, 30 August 1919.

93. ibid.

94. For example, the *Brewing Trade Review*, 1 September 1924 looked at the estimates of brewery profits from 1913 to 1922, which showed a 91% increase, but argued that 'perhaps it would not be far from the truth if the net rise in profits were put at about 20%, an increase which certainly could not be regarded as excessive or as in any way justifying a charge of profiteering'. The precise basis of this recalculation is said to take into account taxation increases and inflation.

95. Newc B GM Cuttings TWAS 2319/5.

96. For North Eastern Breweries see *Sunderland Daily Echo*, 24 December 1914; for Rowell's see Rowell Min 3 TWAS 2319/2/1; and for Cameron's see *Brewing Trade Review*, 1 January 1916.

97. *Economist*, 30 August 1919.

98. Stock Exchange Official Intelligence 1917.

99. ibid., 1920.

100. See *Economist*, 3 February 1917.

101. For Newcastle Breweries reserves see Newc B Ann Rep 1914 -1918 TWAS 1463/125-17 and for Cameron's and North Eastern Breweries see Stock Exchange Official Intelligence 1918. W.B. Reid's general reserve approached and Jas. Deuchar's was (Stock Exchange Official Intelligence 1920). Rowell's was around 183,000 (Rowell Min 4 T WAS 2319/2/2). For Robt. Deuchar's interest in Simson & McPherson see Stock Exchange Official Intelligence 1920.

102. Newc B GM Cuttings TWAS 2319/15.

103. State Purchase and Control of Liquor Trade: Report of the English and Welsh Committee, 1920 (Cmnd 9042) pp.10-11.