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978-0-521-07017-1 - The British Brewing Industry, 1830-1980

T. R. Gourvish and R. G. Wilson

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PART 1



THE BREWING INDUSTRY
1830–1914

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*The Beer Act, 1830–1870*

The year 1830 is a good date to begin a history of the modern brewing industry. Although it marks, as precise dates so seldom do in industry, no dramatic watershed in terms of technology, output or organisation, the Beer Act of that year did effectively ‘free’ the trade in the sale of beer. Licences of all retail outlets had hitherto been entirely and jealously controlled by magistrates, and were increasingly becoming the valuable possession of brewers eager to exploit their custom. Regulation, giving arbitrary powers to magistrates and monopolistic ones to brewers, was anathema to the first, full-blooded generation of free traders. In effect the Act created a fourth type of public house, the beer house. Inns, taverns and alehouses (which possessed no spirit licence) still came within the surveillance of magistrates, but any householder who paid rates might apply for a two guinea excise license to sell beer – and brew it where he could manage to – on his premises. Within a mere eight years almost 46,000 of these beer houses were added to the stock of some 51,000 licensed premises existing in 1830. Clearly the centuries-old industry was dramatically shaken up. This chapter will examine the origins of the Act and assess its impact upon the brewing industry between 1830 and 1870.

The Beer Act of 1830 is one of the most extraordinary pieces of all nineteenth-century legislation. ‘How the deuce this Beer Act ever passed we cannot very well comprehend’ is a fair summary of the bewilderment of contemporaries and historians alike.¹ In fact the majority of the latter manage almost totally to ignore it. Yet the Act is an important piece of legislation. The late W. L. Burn reckoned ‘it is quite arguable that this Act was more revolutionary in its immediate social

¹ *The Chartist*, 31 March 1839, quoted in B. Harrison, *Drink and the Victorians* (1971), p. 74.

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consequences than any other of the reform age'.² It is also significant in helping make more comprehensible 'the sheer crazy diversity of solutions' canvassed by a troubled generation of politicians and thinkers between 1810 and 1830.³ This is not the place to provide an extended survey of the background to the Act itself. That would take a deal of space, its origins stretching back over fifteen years and encompassing a number of parliamentary enquiries and pieces – albeit pretty ineffective – of legislation. The Beer Act was not devised in the summer of 1830 by the desperate Wellington government converted to free trade on its death bed.

Fortunately, there is one sound account of the origins of the Act which makes sense of the enquiries and legislation after 1816 and interprets them as a solution, by Whigs and Liberal Tories alike, to achieve 'free licensing' in the trade.⁴ Of course events in 1829-30 did bring matters, mulled over inconclusively in the years after 1815, rapidly to a head. The Wellington government did make its mind up quickly, but the thinking behind the Act has longer roots than the crisis of 1830 itself. It is clearly more accurate to view it as part of that hectic reassessment undertaken after 1815 by a varied clique of Members of Parliament, Justices of the Peace, clergymen (often of an evangelical tinge), businessmen and bankers, and above all economic theorists and popularists who were forced to think out a whole range of new policies, social and economic, which would reconcile the prevailing political economy of Smith and Ricardo with the profound changes which almost twenty-five years of European War (1793-1815), population explosion, and rapid economic growth and fluctuation had brought about.⁵

In relation to this wider context it is necessary to stress briefly three points to provide a readily comprehensible introduction to the 1830 Act. The first is the mechanism of licensing public houses, the second the question of the brewers' monopoly of retail outlets in London, and the

² W. L. Burn, *The Age of Equipoise* (1964), p. 281 footnote.

³ P. Mandler, 'Tories and Paupers: Christian Political Economy and the Making of the New Poor Law', *The Historical Journal*, 33 (1990), p. 83.

⁴ Harrison, *Drink and the Victorians*, pp. 64-86 provides the only full account of the Act and its origins. See also P. Mathias, *The Brewing Industry in England, 1700-1830* (1959), pp. 228-43 and S. and B. Webb, *The History of Liquor Licensing Principally from 1700 to 1830* (1903), pp. 93-134. But there is a need for an essay which explores the full political and economic dimensions of the debate between 1815 and 1830 about 'free licensing'.

⁵ B. Hilton, *Corn, Cash and Commerce: The Economic Policies of the Tory Governments, 1815-1830* (1977) which inexplicably ignores the Beer Act. See also his *The Age of Atonement* (1988) and Mandler 'Tories and Paupers' and 'The Making of the New Poor Law Redivivus', *Past and Present*, 117 (1987), pp. 131-57.

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third, the profitability of brewing and farming ventures between 1815 and 1830.

Since the 1550s, the licensing of inns, taverns and alehouses had been controlled by magistrates, informally at first, and then in annual brewster sessions after 1729. In certain periods their creation of licences was lax and in none ungenerous (even after the 1780s when a new generation of 'moral' magistrates tightened procedures).⁶ What reformers, after 1815, increasingly drew attention to, however, was the conspicuous way justices arbitrarily exercised their powers to create and withhold licences. Any two magistrates granting a licence conferred a substantial additional or 'monopoly' value on the newly licensed property. In the provinces by the 1820s this might be little more than £100; in London it was often nearer £1,000. To most Whigs and some Liberal Tories the system was one more instance of the corruption and restriction that was all too evident in government and economy alike. Chapter and verse for these allegations were revealed by the *Select Committee on the Police of the Metropolis* (1816-17) which devoted much of its evidence to the licensing question.⁷ Instances of collusion between magistrates and brewers were paraded, and one zealous witness sought a wider audience for his views by organising a series of public meetings and petitions in London in 1818.⁸ In fact the report of the Committee was moderate in its tone, and the Liverpool government, with plenty on its plate, took no action. One independent MP, Henry Bennet, however, did attempt to put some of its recommendations into operation by introducing in 1817 and 1819 the Bills which took the first, barely identifiable 'free licensing' steps. Without government support, and opposed by those great London brewers who were members of parliament, they got nowhere. But Bennet was not rebuffed by his failure and in 1822 introduced a third Bill. This was a more notable departure because it introduced the principle of any householder rated in excess of £20 per annum being able to obtain a licence to sell beer without the consent of magistrates. It

⁶ Webbs, *Liquor Licensing*, pp. 15-84; P. Clark, *The English Alehouse: A Social History, 1200-1830* (1983), pp. 250-72.

⁷ SCHC on State of the Police of the Metropolis, first report: *PP* (1817) VII.

⁸ Mathias, *Brewing Industry*, pp. 238-40. J. T. B. Beaumont, a Middlesex magistrate and speculative builder, had complained that he was unable to obtain licences for 'superior public house[s]' on estates he had built in Stepney and Shepherd's Bush. His petition, carrying 14,000 signatures, resulted in the SCHC on Public Breweries, report, *PP* (1818) III, p. 295. For the evidence see the 'Minutes taken before the Committee to whom the Petition of Several Inhabitants of London and its Vicinity, complaining of the high price and inferior quality of Beer was referred', published in *PP* (1819) V, pp. 453-557.

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was also significant because it so raised the alarm of provincial brewers that they formed the Country Brewers' Society (see p. 13) to oppose the Bill. Even without their intervention it would have failed, but the campaign for free licensing began to attract prominent political champions in Huskisson and Brougham. The interesting point is that the debate about free trade had been fully rehearsed by 1822, eight years before the 'revolutionary' Act.

The second strand, the question of monopoly, was, like that of licensing, basically a London issue. Indeed much of the criticism launched against the big London brewers had already been aired in the enquiry into the Police of the Metropolis in 1816, but it was given a fuller statement in the Committee on Public Breweries in 1818.⁹ Basically, the complaint was that the big London brewers controlled at least half of their retail outlets by direct ownership, lease or, most frequently, loan, and that not only did market leaders meet regularly at Brewers' Hall to fix retail prices but they sold an inferior product at too high a price in their tied public houses.

As so often in nineteenth-century parliamentary enquiries, several hares were raised. Although the London brewers maintained that control of public houses was even more widespread in the country, little evidence was produced to support their claim. By a careful selection it might easily have been sustained, at least in South-East England. After a welter of figures about prices and profits had been aired, the great porter houses, represented by Barclay and Calvert, maintained it was impossible to brew a better beer from consistently high-quality materials more cheaply, and that wherever else adulterated beer might be found it was not in their breweries. Theirs was a position the Committee generally accepted. On the other hand the charge of price fixing stuck, and the evidence about the adulteration of beer in the previous decade – upon which the Committee increasingly concentrated – was highly injurious to the brewing interest.

Even to a less fastidious generation the revelations were alarming. High prices of materials and duties after 1803 had encouraged less reputable brewers and publicans alike to use an increasingly wide battery of adulterants. Not all were harmful, but the supposedly widespread use amongst small brewers and victuallers of vitriol and copperas, liquorice, quassia and wormwood, coculus indicus and opium,

⁹ See previous note. The next two paragraphs are based upon this evidence. See also F. Accum, *Treatise on Adulterations of Food and Culinary Poisoning* (1820) and R. G. Wilson, *Greene King: A Business and Family History* (1983), pp. 23-5.

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and the more occasional and exotic resort to grains of paradise to bring beer into condition, to increase its strength and to impart the flavour of hops, gave the entire industry, in spite of Barclay's and Calvert's protestations, a bad name (see Plate 1). An entry in Reid's accounts (1809-89) reveals that the firm spent no less than £6,913 on average per annum on caramel 'colouring' between 1810 and 1818. In the latter year, the practice was suddenly discontinued. The hand that compiled the Abstract around 1880 added: 'The use of Malt colouring (extracted from sugar?) discontinued; and "Roasted Malt" substituted in lieu thereof.'¹⁰ The Excise officers, listing the number of convictions, suggested that adulteration was a natural consequence of the tied trade because publicans were under much pressure to pay off their debts to the brewers.¹¹ Professor Andrew Ure, the well-known Scottish political economist and chemist, and far too serious to tell a tall Glaswegian story, recalled that the amount of opium added to the beer sold on one early Clyde paddle steamer was so excessive that he could have carried out post-mortems on its victims without their realising what was happening.¹² Even if the Committee's report was vague in its appeal to the vigilance of magistrates and its recommendations about steps to erode the brewers' monopoly of public house ownership, the evidence itself was manna to the 'free licensing' camp.

But the measures which the Chancellor of the Exchequer took in 1823 and 1824 to implement action against the common brewers and to ease beer prices were quite unequal to the task. The 'Intermediate Beer' Act of 1823 and the 'Retail Brewing' Act of 1824, both clearly pursuing free-trade objectives, were two very curious experiments in the industry underlining the hesitancy of the government and the strength of the brewing interest. The first created a separate class of brewery, fixing a new level of duty and price for a beer of 'intermediate' strength, which could only be sold 'off' their premises or to a specially designated category of publican; the second, rather more popular, lowered licence duties for those small brewers who sold only by retail. Neither made any mark on the industry. Too restrictive to disturb the larger brewers, the first was a total flop; the second, by which 3 per cent of output was produced in 1829, defeated its object because retail breweries were most numerous in Cornwall and the West Midlands where breweries with

¹⁰ GLRO, Acc. 75.108, Reid Abstract of Rests (1809-89).

¹¹ Fifteen smaller brewers (only Meux amongst the big porter brewers in 1812) had been prosecuted between 1815 and 1818 and seventeen publicans for adulteration. SCHC, PP (1819) V, pp. 18-19.

¹² Quoted in Wilson, *Greene King*, p. 25.

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tied house estates were almost non-existent.¹³ The newly formed Country Brewers' Society believed these retail brewers to be a low lot of adulterators. And ineffective as this legislation was in reforming the serious shortcomings of the industry revealed between 1816 and 1819, the government believed it had done enough for the moment to meet the critics of the trade. It is significant that the Country Brewers held no meetings between 1825 and 1829, except for their boozy annual banquets, whereas previously they had complained about the press of business (and lack of subscriptions) surrounding Bennet and Brougham's abortive Bills and the 'Intermediate Brewers' and 'Retail Brewing' Acts in 1822-4.¹⁴ No special meeting was called when in 1828 Estcourt's Licensing Act was passed. Badly drafted, it nevertheless consolidated existing law until 1872. It embraced some of the free traders' ideas by limiting magistrates' discretion and it was thought to have finally settled the licensing question.

In fact the whole climate of licensing appeared to be changing in the 1820s. The Webbs, when they wrote their 'free trade' chapter in *The History of Liquor Licensing*, asserted with their usual vigour,

we have to take account of what seems, between 1820 and 1830, to have become almost an obsession of the mind of every enlightened legislator, Tory and Radical alike, that every person ought to be left free to invest his capital and employ his talents in whatever way he thought best; that cheapness and good quality could only be secured by an absolutely unrestricted competition; and that there was no reason why the number and position of public houses should not be left as free as those of bakers' shops.

There is some truth in their depiction of this proto-Thatcherite vision. Certainly Justices do seem to have imbibed some of these sentiments: the number of ale house licences increased by 7.4 per cent and those enjoying a spirit licence by 22.8 per cent between 1824 and 1830.¹⁵ These are not the actions of a restrictive magistracy.

But the question of high beer prices, the third strand of the 1830 Act, had not been resolved. Ever since the early 1800s there had been complaints that the price of beer was too high. The allegations dogged the enquiries of 1816 and 1818; they were still being made in the 1820s. Free traders and agriculturalists desperately seeking to stimulate cereal prices after their collapse in 1813 blamed the large brewers; the latter in

¹³ The clearest accounts are in Mathias, *Brewing Industry*, pp. 241-2 and Harrison, *Drink and the Victorians*, pp. 72-3.

¹⁴ Brewers' Society Library, Country Brewers' Society Minute Book No. 1.

¹⁵ Webbs, *Liquor Licensing*, pp. 95, 115-16.

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Table 1.1. *Annual output of common brewers and brewing victuallers ‘in the whole Kingdom’, 1818–30 (figures in thousands of barrels)*

	Common brewers		Brewing victuallers	
	Strong beer	Small or table beer	Strong beer	Small or table beer
1818	3833	1073	1740	431
1819	4015	1114	1881	455
1820	3764	1073	1887	451
1821	3807	1056	2005	474
1822	3858	1051	2161	479
1823	4143	1067	2310	485
1824	3744	895	2346	560
1825	3920	922	2580	564
1826	4124	1011	2562	574
1827	–	–	–	–
1828	3897	1000	2334	488
1829	3942	978	2402	497
1830	3569	880	2166	450

Source: Mathias, *Brewing Industry*, p. 543

turn shifted responsibility to the government. The arguments are instructive partly because they almost exactly mirror the situation a century later when beer consumption collapsed in 1921 after duties had notably advanced shortly before a general easing of retail prices. Certainly, after 1815 the brewers could argue that their output was stagnant, and in many years declining, and that per capita consumption had been falling sharply since 1800 (Table 1.1). And they also could point to the fact that strong beer and hop duties remained unchanged after 1813 when retail prices began to fall rapidly. Malt duty rates, which had advanced sharply in 1802–4, were reduced after 1816 by over 40 per cent to relieve, like the Corn Laws of the previous year, the agricultural interest.¹⁶ On the other hand, the government pointed to the high profits made by brewers – variously revealed in the enquiries of 1818

¹⁶ The strong beer duty was 10s per barrel; malt duty per bushel was reduced to 2s 5d (12.1p) from 4s 5½d (22.4p) in 1816 (it rose to 3s 7¼d (18.0p) in 1819–22 and then fell to 2s 7d (12.9p) where it remained until 1830). After 1816 the exaction of the beer duty was roughly double that of the malt duty since on an approximate average a barrel of beer could be brewed from two bushels of malt. Hop duty remained unchanged at 2d (0.8p) per lb. See Mathias, *Brewing Industry*, pp. 546–7.

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and 1830 to be in the region of 10–12.5 per cent – and the fact that in many years after 1815, when malting barley was cheaper than it had been for more than thirty years, brewers, hesitant to adjust the price of beer, made substantial windfall profits. Yet on balance, since the beer duty remained high, the brewers had the edge of the argument.

The discussion about duties and prices which raged throughout the 1820s at every meeting where landowners and farmers came together was extended in two ways. First, it is evident that although the standard of living of the working class, at least of those in full employment and not engaged in agriculture, might not have fallen as much as historians once thought (especially between 1815 and 1830), the double duties on malt and beer, adding as much as 160 per cent to the cost of brewing materials, fell particularly hard upon it.¹⁷ The price of beer, amidst generally falling prices after 1813, remained too high. Moreover, the well-to-do, who owned their own brewing utensils, were able to avoid the beer duties on the payment of a minimal licence fee. Secondly, the situation was given a new and important twist after 1825 (1823 in Scotland and Ireland) when spirit duties were substantially reduced – supposedly to abate illicit trading – from 11s 9d (58.75p) to 7s (35p) per gallon. Sales doubled in the following year. The ruling classes were shocked by the excesses of spirit drinking by working men and women, especially in the capital, and began to equate it with the marked increase in criminal convictions. They became anxious, therefore, to revive beer drinking – held to be more wholesome, more temperate and more beneficial to the economy. Similar views to those on spirits were advanced about tea drinking, although until the 1840s, when per capita consumption increased sharply, it was a growing, but not a serious, alternative to the national drink. In effect, in days long before advertising, a beer-is-best, best-for-health, best-for-Britain campaign was gaining momentum in the late 1820s.

In 1829–30 these views became entangled with two events which were to give the whole issue of ‘free trade’ in beer a quick, final push after fifteen years of gestation. The first was the general depression in agriculture which gathered momentum in the late 1820s. Prices of cereals had hit depths in the 1820s which had not been experienced since the early 1790s, whereas poor rates, tithes and rents – all of which had been driven to unprecedented levels in the war years – hardly budged for the beleaguered cereal farmers of the South and East. Vastly oversupplied

¹⁷ M. W. Flinn, ‘Trends in Real Wages, 1750–1850’, *Economic History Review*, 2nd ser. 25 (1972), pp. 395–413.

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with labour in the winter months, the countryside became rife with unrest. In late 1829 and early 1830 Parliament was inundated with a great series of petitions and addresses from county meetings. In all 174 were presented. The Suffolk meeting in February 1830 which considered ‘the unparalleled distress of all classes dependent on Agriculture’ was typical.¹⁸ Invariably they sought relief through the reduction of taxation on necessities, and many specifically demanded the repeal or lowering of taxes on malt and beer. Secondly, the Wellington government, apart from the distress of the cereal growing areas of Britain, was in the direst straits. In a perpetual state of jitters because George IV’s deteriorating health threatened an automatic general election on his death (26 June 1830), the Tory party had been torn apart by the passage of the Catholic Emancipation Act and major amendments to the Corn Laws in 1828. It was desperately looking for a piece of legislation to revive its flagging popularity. Early in the spring of 1830 it hit upon an apparently ideal solution: free trade in beer. It was a measure, well-rehearsed in argument, which would revive the agrarian interest, assuage the Canningite free traders, offer considerable relief to the working classes, and run into little Whig opposition. Its mind already made up about the outcome, the government appointed a committee on the Sale of Beer by Retail on 4 March 1830.

Announcing the financial implications of the repeal of the beer duties in the budget of 15 March, the government published its Bill three weeks later. It did not even bother to wait for the publication of the Committee’s report.¹⁹ To the Webbs, uninterested in, even hostile to the brewing industry, it was ‘a perfunctory select committee, appointed to endorse a foregone conclusion, [which] gave formal audience to the exaggerated estimates of ruin apprehended by existing licence-holders’.²⁰ To historians of brewing, however, the Committee’s findings are not without interest because, though hasty and predictable, they do provide insight into an industry which was at this period long on statistics but short on internally generated comment. As in 1816–18, evidence was drawn chiefly from the metropolis. Of the twenty-nine witnesses, no fewer than twenty-two came from the London area. They were headed by three London porter brewers, Charles Barclay, Thomas Fowell Buxton and Charles Calvert – all MPs and men of vast

¹⁸ *Bury and Norwich Post*, 10 Feb. 1830. Sir R. Heron, *Notes* (1851, 2nd edn), pp. 182–3 provides an account of the Lincolnshire meeting on 8 January.

¹⁹ SCHC, Report from the Select Committee on the Sale of Beer by Retail, report and evidence: *PP* (1830) X, upon which this paragraph is based.

²⁰ Webbs, *Liquor Licensing*, p. 122.