THE BREWING INDUSTRY IN POST-WAR EAST AFRICA: A SECOND SCRAMBLE?

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I

Reports concerning the decline and fall of the British Empire in the post-war years have been, rather like the death of Mark Twain, greatly exaggerated. Only recently have scholars begun to correct the balance and argue that the late 1940s, usually overshadowed by the loss of India, "actually saw a determined reassertion of British informal imperialism through financial controls and economic development in Africa and the Middle East".[1] Informal empire, or trade without political control, is increasingly seen as having been the new thrust of British imperial policy in the post-war years, and this paper will attempt to determine how far the British brewing industry and its scramble for East Africa fits into this general schema. Three companies will be discussed in relation to their East African activities: Barclay Perkins of London who ventured into the Sudan; Bristol Brewery Georges & Co who were interested in the commercial possibilities of Tanganyika; and H & G Simonds of Reading who committed themselves to Kenya. Barclay Perkins will be discussed in some detail, with supporting evidence used from the studies of Georges and Simonds. The aim of the paper will be to answer the inter-related questions of why there was so much commercial activity in the region, what were the overall results and outcomes, and what the information tells us about the British Empire's informal imperialism of the late 1940s and early 1950s.[2]

II

In September 1898 the fate of the Sudan was effectively sealed when Kitchener, commanding the Egyptian army, defeated Abdullah al Taashi at the battle of Omduran. Four months later the Sudan was organised as an Anglo-Egyptian "condominium" i.e. half Egyptian ruled and half British. It is perhaps fair to say that there was some sleight of hand employed in this arrangement. In Egypt the Khedive was the nominal ruler and it was he who nominally appointed the Sudan's governor-general. The sleight of hand lay in the fact that the Khedive was little more than a British puppet, and that the governor-general of the Sudan was always British, as indeed were most of his administration. One

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[1] David Reynolds, Britannia Overruled (Longman: London, 1991), p.34

[2] This paper has set itself realistic parameters i.e. one industry in one region of Africa. There was also a great deal of brewing activity in both West Africa and South Africa but the differing political and economic conditions of these areas demand separate treatments, perhaps then leading to a comparative study for the whole continent.

commentator has put the situation rather more wryly: "the British habit of recruiting sportsmen from Oxford and Cambridge to run its administrative service led to the Sudan becoming known as the land where blacks were ruled by blues". [3] In reality the British ruled both Egypt and the Sudan while publicly refusing to admit to ruling either. This "condominium" arrangement lasted until 14 December 1955 when the Sudanese moved to independence. Geographically, the Sudan was the largest country in Africa, roughly one quarter the size of Europe and with a population of eight and a half million by the early 1950s. Two thirds of the population lived in the north of the country and were predominantly Moslem Arabs. Barclay Perkins & Co began life as a partnership in 1781 taking over the Anchor Brewery in Southwark formerly belonging to the Thrale family. In the nineteenth century they were one of London's major porter-producing breweries and they acquired a reputation for sound management and innovation. As early as 1921 they built a new lager brew house on their Southwark site thus anticipating a trend amongst consumers long before their London rivals. They lost their independence in 1955 when they decided to merge with their close neighbours in Southwark, in the shape of the firm of Courage & Co. The term "merger" is perhaps a little ambivalent to describe the events because whereas Barclay Perkins employees preferred to see them as a "merger", their Courage counterparts were more inclined to use the term "takeover". Whatever interpretation or complexion the two sides put on the process, the new firm of Courage and Barclay Ltd was formed with Courage being slightly weighted as the senior partners in the venture. The two firms ran side by side until 1957 when a single management structure took over the running of the new larger company. [4]

III

The Sudanese government were in favour of a brewery being built long before the end of World War II when changes to the Liquor Licence Ordinance made beer and light wines legal drinks for the Sudanese population. Indeed by the end of the war there was some irritation in the Northern Sudan Advisory Council that no brewery project had been put forward. It was not until 1950 that any brewer showed an interest in building a brewery in the Sudan and then, ironically, two appeared almost simultaneously. The first to make enquiries were Edwin and Anthony Tabona, the Maltese brewers who owned James Calder & Co on their home island. 'The Tabona brothers were given the option to come forward with a workable scheme by A W Disney, the director of the Department of Economics and Trade, but no sooner had they left to start planning than John Loughnan, export manager of Barclay Perkins, arrived in Khartoum on his way back to London after a tour of the

[3] Brian Lapping, The End of Empire (Granada: London, 1985), p.234
[4] When a merger is really a takeover and vice-versa is a question discussed by Alison Dean, "Merger Activity in the British Brewing Industry 1945-60: The Implications of being a Landlord" (Ph.D. thesis, University of Massachusetts, Amherst, 1995) pp.28ff

breweries' far eastern agents. Loughnan made enquiries about building a brewery in the Sudan but was told by Disney that he was forty-eight hours too late, and that the Sudanese government had committed herself to the Tabonas.[5] Loughnan, an ambitious and energetic manager, was undeterred by this information and could see the potential of the Sudanese beer market. The predominance of Islam was not seen as a barrier to the sale of alcoholic products, and indeed the Sudanese liking for beer was well known and appreciated.[6] At this time all of Sudan's beer was imported in bottles and Loughnan saw that a Sudanese-produced beer was likely to undercut the imported competition and reap a large share of a growing market. On his return to London Loughnan sought out Edwin Tabona, who happened to be at an exhibition at Olympia, and the two sides agreed to co-operate over the Sudanese project. The arrangement was that Barclay Perkins would take over the concession to build the brewery, and in return the Tabonas would receive a cash sum, an allocation of shares, and a seat on the board of the new company. This deal was ratified by a special meeting of the Barclay Perkins board[7] who also ordered that a survey party should visit the Sudan in January 1951. The party was led by Loughnan and included Edwin Tabona, F E Y Bevan (a director of Barclay Perkins) and A P Wibroe, a Danish brewery construction consultant.

The survey party had a wide brief and was asked to report on such matters as: a suitable name for the new company; Sudanese beer duties; the agency selling system; and the desirability of allocating shares to the Sudanese. Underlying the apparent urgency of the Barclay Perkins' directors were considerations of a more political or sensitive nature. They fully realised the potential instability of the Sudan and agreed that "the risk attaching to political conditions now existing in the Sudan is one which must be accepted by the Board".[8] There was also a prevailing feeling that, although one or two Sudanese of influence might be appointed to the board of the new company, it would be preferable if the allocation of shares to the Sudanese be kept to a thirty per cent ceiling.[9] It must be said that such considerations were not high on the agenda, and permission from the Bank of England to remit the necessary capital abroad, and reports and opinions from Barclays Bank, Price Waterhouse and the Overseas Development Corporation were all sought and found to be generally in favour in what had rapidly become known as the "Khartoum Project". The survey party cabled to Barclay Perkins at their offices in Park street, Southwark early in February 1951, reporting satisfaction on all major points and

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[5] A W Disney, "Early History of the Blue Nile Brewery", MSS report, November 1958 (Courage Archives, AI/C/13)
[6] T G Rowe, former District commissioner in the Sudan, Interviewed by the author, March 1992.
[7] Barclay Perkins & Co (hereafter BP&Co) Board Minutes, 20 December 1950 (Greater London Record Office - hereafter GIRO - 2305/1/29).
[8] Ibid., meeting of 19 January 1951
[9] Ibid

requesting an urgent decision in favour of the project. The telegram arrived whilst a board meeting was in progress and the directors cabled an immediate reply,[10] Bank of England permission to remit funds being applied for. Some doubt and delay in obtaining this. Full authority granted subject only to such permission being obtained. Proceed with this reservation. Cautiously worded though this telegram might have sounded, it was in effect the decision to go ahead on a major overseas project.

IV

The reasons why Barclay Perkins went ahead with their Khartoum Project were a mixture of commercial optimism along with a personal, almost emotional commitment. There was little doubt in the directors' minds that the Blue Nile Brewery (as the new company was to be called) had the potential to be a profitable enterprise. Financial estimates were prepared showing a profit forecast of £6-18s-3d on every barrel brewed in the Sudan, which at an anticipated 24,000 barrels per annum would yield a healthy pre-tax profit of £165,000. The authors of this estimate could hardly believe their own figures it seems, and it was explained by way of a rider that although every care had been taken to conservatively assess all the expenses to be incurred, these profitability figures "must be regarded as extremely unlikely ever to be achieved".[11]

This was a very cautious optimism indeed but it seems not to have dented the enthusiasm of the board for perhaps two reasons: the contemporary state of the brewing industry in Britain; and because of strong personalities within the company who were almost "willing" the scheme forward.

'The brewing industry in post war Britain contained several inter-locking strands of thought: that Labour might nationalise the industry or, at best, strictly control it;[12] that labour was so hostile to business that it was unwise to invest domestically;[13] and that parts of the Empire were showing promising signs of increased emigration from the U.K. coupled with an old-world, pre-Labour attitude to business and industry. Even after Labour's demise in 1951, brewery directors seemed to be slightly disenchanted with their conservative successors and it has been argued that the incoming administration did little or nothing to bolster the confidence of the brewing industry.[14] As the 1950s advanced there was also an increasing desire to form mergers with former rivals, thereby growing bigger and stronger in a

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[10] Ibid., meeting of 8 February 1951

[11] Ibid., meeting of 10 January 1952. The financial estimate was prepared by John Loughnan, Edwin Tabona and W Toop, Company Secretary of Barclay Perkins

[12] See Brewing Trade Review (Journal of 'The Brewers Society), December 1945, p.505. This is one of many examples of the industry's sensitivity towards the question of nationalisation.

[13] E Duncan Simonds to the author, 20 March 1989.

[14] Alison Dean, "Merger Activity in the English Brewing Industry 1945-60: The Implications of being a landlord" pp.100-101

prevailing situation of horizontal brewery mergers, the end result of which would see an industry in which the big players survived at the expense of the small firm. If these factors were the generally held, conventional wisdom of the industry as a whole, then individuals within Barclay Perkins were to take them up, couple them with their own beliefs, and drive the company forward into the Sudan. Two personalities were of particular importance and significance: John Loughnan, the export manager; and A W Disney, the former director of the Sudan's Department of Economics and Trade who, in June 1952 asked for, and was offered, the post of managing director of the still unborn Blue Nile Brewery. Both men were brought up in the environment of the British Empire - Disney as a colonial administrator and Loughnan as a commercial manager - and both believed sincerely in the future potential for trade and industry in the Sudan. Loughnan, who died in a tragic car accident in Sudan in March 1956, even stayed on past his normal, retirement date to see his "cherished project" brought to fruition.[15] Disney was a senior colonial administrator with twenty seven years' experience in the Sudan, and he was perhaps ideally suited to be Barclay Perkins' man on the ground in Khartoum. After the Courage-Barclay Perkins merger of 1955, Loughnan and Disney found a stalwart ally from within Courage in the shape of managing director Hereward Swallow. Swallow was a much admired and dynamic businessman and a passionate advocate of closer business links with Africa. As late as 1964 he was emphasising the benefit of the company's links with the continent and saw only a "tremendous future" and a "happy association" as the outcome.[16] When Loughnan died in 1956 and Disney retired as managing director of the Blue Nile Brewery in 1957 to take up a post at Courage's London brewery, it was Hereward Swallow who continued to carry the torch for the company' s involvement in the Sudan and other parts of Africa.

V

Problems with the Khartoum project set in almost immediately and manifested themselves in many forms. The first, and most obvious to the Barclay Perkins' board, was the spiralling cost of their project and this was coupled with the interminable delays which seemed to arise at almost every juncture. In December 1951 the directors decreed that the total financial commitment of Barclay Perkins should not exceed £250,000, and so it was with same alarm that, as early as June 1952, they found that £150,000 had already been spent.[17] Two directors, Major C A C Perkins and LEY Bevan, were asked to assess the situation and report how future funds might be raised.[18] A partner seemed the obvious solution

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[15] BP&Co General File, letter S C Gates to A W Disney, 4 April 1956 (GLRO, 2305/2/24/2)
[16] H Swallow, "our African Interests" Golden Cockerel, summer 1964, p.1 (Courage Archives, EB/M/1).
[17] BP&Co Board Minutes, meeting of 12 June 1952 (GLRO, 2305/1/29)
[18] Ibid., meeting of 10 July 1952

and first Tuborg, the Danish brewers, and then Heineken of Holland were approached with the latter expressing, in principle, its willingness to co-operate.[19] In principle such a partnership was fine, but in the shorter term Barclay Perkins' costs were rising alarmingly. In March 1953 Loughnan arranged for an overdraft facility with Barclays Bank in Khartoum as a way of circumnavigating any Bank of England objection to the company exceeding its agreed ceiling of funds that could be exported from Britain. By the summer of 1954 this overdraft had risen to £E250,000.[20] The increase in costs was due mainly to problems with the building of the actual brewery itself. After a false start alterations had to be made to the plans and disputes with the two main contractors, British steel Reinforcement and Altiniers, led to further delay and further cost. Brewing of any beer, and. consequent profits, seemed a long way off. 1954 proved to be a frustrating year for the Barclay Perkins' board and their increasing sense of alarm forced them to press Disney in Khartoum to get local Sudanese financial participation "in substantial amounts" before the end of the year.[21] Their panic can be appreciated by the fact that the latest financial estimates showed the total cost of building the Blue Nile Brewery was now projected to be a staggering £750,000.[22] To add to the directors' woes came the bad news that Heineken were not, after all, keen to enter into a partnership. They apparently saw the high capital cost of the brewery's construction, coupled with the lack of any locally invested capital, to be a potentially terminal situation.[23] By the autumn of 1955, after repeated delays in the commencement of brewing, the directors of Barclay Perkins were in a state of high agitation. First the brewery was flooded, then it became contaminated, and when brewing finally started on 22 September 1955 defects in the bottling plant further delayed the first sales. Eventually on 15 December 1955 the first bottles of the Blue Nile Brewery's "Camel" brand beer went on sale and were proclaimed to be an instant success with the thirsty Sudanese.[24] The irony was that the day before, on 14 December 1955, the Anglo-Egyptian condominium formally came to an end and the Sudan became an independent country. It must all have been most worrying.

There were also other nagging problems that seemed to dog the Khartoum Project, not the least being disputes between management personalities. Throughout late 1953 and early 1954 there was constant friction between the board and the Danish brewery construction

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[19] BP&Co Board Minutes, meeting of 5 February 1953 *(GIRO, 2305/1/30)* 20 Ibid., meeting of 16 April 1953
[20] Ibid., meeting of 16 April 1953
[21] Ibid., meeting of 8 April 1954
[22] Ibid., meeting of 29 April 1954 23
[23] Ibid., meeting of 16 June 1955
[24] Ibid., meetings of 22 September 1955 and 15 December 1955. See also A W Disney, "Early History of the Blue Nile Brewery"

consultant A P Wibroe [25] and the head brewer, Craig, who had been appointed in May 1952, increasingly seemed to be the wrong man for the job. A somewhat crotchety Scotsman, Cleghorn, was appointed resident engineer in November 1952 but even his Celtic qualities could not speed up the rate of construction which was variously described as erratic and of poor quality. When John Loughnan died in a tragic car accident in March 1956 Barclay Perkins lost their real driving force in the Sudan and management communication between London and Khartoum seemed to be on the verge of breakdown.[26] Day to day control of the project was clearly impossible from London, but the board's constant questioning and veiled criticism led to an outbreak of tension best revealed by Disney's ill-tempered letter in February 1956,[27]
I realise that it is not always easy for you to appreciate our difficulties. But the first thing to be learnt about "darkest Africa" is that nothing ever develops according to an expected pattern. I hope this lesson may be in the process of being learnt by all at your end! The differences of lifestyle and operation between an old Africa hand such as Disney working in the Sudan and the London based directors of the parent company were in real danger of creating a management problem. In that same month, February 1956, Hereward Swallow warned that this potential breakdown would ultimately mean that the company "would fail to make a proper return on this substantial investment".[28] Apart from rising costs, delays in construction, management squabbling and Sudanese independence, there was one further distraction underlying the whole Khartoum Project: the merger with Courage in 1955. Hereward Swallow from Courage was keen to make a success of this African subsidiary that had come as part and parcel of the merger with Barclay Perkins, but other colleagues were understandably more cautious. However, it is difficult to imagine what else the Courage directors could say or suggest. The Blue Nile Brewery had cost nearly three quarters of a million pounds and was situated in an independent African country no longer controlled or directly influenced by Britain. On the surface they could even argue that things were not as bad as they seemed. By 1959 the Blue Nile Brewery was selling nearly 25,000 barrels per annum, and the profit for that year was £162,755 which meant a 15 per cent return for investors.[29] These figures almost exactly mirrored the financial estimate put before the Barclay Perkins' board in 1952. However, the uncomfortable truth was that the employed capital in 1952 was never seen as rising above £250,000, whereas by 1959 this had trebled to £750,000. The political problems were more sharply focussed. The Barclay Perkins' directors accepted this risk back in January 1951 rut the reality was surely worse than they could ever have imagined. The Suez Crisis of 1956 was

[25] Ibid., meeting of 25 February 1954
[26] Report by Hereward Swallow, 29 February 1956 in Blue Nile Brewery Reports and Accounts (GIRO, 2305/26/74/5)
[27] letter, A W Disney to W S Toop, 29 February 1956 in Khartoum General File (GLRO, 2305/2/24/1)
[28] H Swallow, report 29 February 1956
[29] Blue Nile Brewery Reports and Accounts (GLRO, 2305/26/74/5)

uncomfortably close to the Sudan and it was reported from Khartoum in February 1958 that Nasser's example was a worry,[30] as were members of the Sudanese government who were purported to have communist leanings.[31] Incredibly, an army coup in November 1958 seemed to cheer up the management at the Blue Nile Brewery but their reliance on a military junta to provide ideal business conditions was short sighted and perhaps reflects the level of desperation that had crept into their thinking.[32] Indeed it was not long before the spectre of Sudanisation appeared (Sudanisation seems to have been an acceptable alternative term for nationalisation) and, anyway, the new Sudanese military government was rather ramshackle and less than stable. After another ten years of quite reasonable commercial success the Blue Nile Brewery was nationalised (or, if you prefer, Sudanised) in 1970, initially without compensation, thus ending the saga of Courage and Barclay's brewery on the upper Nile.

VI

A number of themes are suggested by a study of Barclay Perkins, Courage, and the Sudan not the least being the natural commercial desire to identify a potentially profitable project. Coupled with this was the equally strong desire to export their capital rather than invest in the domestic economy that was heavily controlled by both Labour and Conservative governments. There was also perhaps the belief that diversification abroad would make the company stronger and therefore more able to have influence in the post war waves of brewery mergers and amalgamations. Certainly the profits from the Blue Nile Brewery were repatriated and added to the consolidated balance sheet of the parent company. Added to these stimuli were the roles played by the imperialistic business men within both Barclay Perkins and Courage, all of whom fully supported the Khartoum Project developing almost a personal attachment to it. They were undoubtedly prepared to accept any political risk to which the project might become liable, but it must be said that such risks must have seemed minimal in 1950. Even though the Sudan's independence was foreseen, formal political control of the country did not seem to be a prerequisite for the company to carry on its business. However, neither Loughnan, Disney nor Swallow could have foreseen the cataclysm that was Suez in November 1956. This one event was to change all the ground rules and to challenge all the assumptions about the Sudan held by these British Businessmen. Comparative studies are perhaps required at this stage to test the validity of these themes and to ascertain whether they were unique, or if they form part of a wider pattern. Two brewers who both harboured East African ambitions have been identified for this purpose: H & G Simonds of Reading who invested over £200,000 in buying a 15 per cent

[30] Letter, E Friend to C Bunting, 23 February 1958, in File on Political Matters 1958-66 (GLRO, 2305/2/17)
[31] Ibid., E Friend to C Bunting, 29 March 1958
[32] Ibid., E Friend to C Bunting, 24 November 1958

stake in East African Breweries Ltd of Kenya in *1948;* and the Bristol Brewery Georges & Co who pulled back at the eleventh hour from a brewery construction project in Tanganyika in 1949.

H & G Simonds were certainly looking to Kenya in 1947-48 to provide a handsome return on their investment, and indeed everything about the East African Breweries (EAB) suggested that they might be successful.[33] During the war years EAB had yielded spectacular dividends of 40 per cent, and in the late 1940's Kenya was identified by commentators as diverse as Lord Tweedsmuir and Elspeth Huxley as an area of expected growth. Coincidentally, Simonds found themselves with money to spend. Since 1929 they had half-owned the Maltese firm of Simonds Farsons Ltd and, in 1947, this firm had merged with the island's Cisk Brewery Company. The financial arrangements involved with this further merger meant that Simonds received a cash sum of £210,000. Simonds, like other brewers, were appalled at labour's nationalisation programme, and they considered the outlook just too bleak to invest the £210,000 within Britain. Duncan Simonds, then a director, has commented that,[34]

although money was desperately needed at home, the outlook was so depressing and the government so hostile to trade that the decision was taken not to repatriate it but to find a better investment overseas. Hence the decision to invest in Kenya where profits seemed guaranteed, and where money was safely out of the grasp of Stafford Cripps. Once again there were personalities pressing for this move into Africa in the shape of Wingrave Tench and F V Keighley. Tench started his career with Cable & Wireless in the 1920s, spending a great deal of time working abroad, before becoming a director of Simonds Farsons Ltd just before the outbreak of the Second World War. Not only was he an imperially-minded businessman but he also had links with the Maltese government, first as the censor of cables and latterly as the civil administrator who Organised food distribution on the besieged island.[35] Tench was sent to Kenya in 1947 by the Simonds' board and he reported enthusiastically about the potential of the EAB.[36] Keighley, a cousin of the Simonds family, visited Kenya in January 1948 and wholly supported Tench's opinions.[37] Kenya must have seemed a negligible political risk. The white settlers were firmly entrenched as the dominant political force in the colony and their aim, perhaps not an unreasonable one at the time, was for Dominion status within the Commonwealth alongside Canada, New Zealand, South Africa and Australia. Even if the goal of self-governing Dominion status

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[33] For a full account of H & G Simonds and Fast Africa see K Thomas, "The Adventures of H & G Simonds in Malta and Fast Africa",
Business Archives: Sources & History, November 1991, pp.40-54
[34] K Thomas "The Adventures of H & G Simonds in Malta and Fast Africa",
Business Archives: Sources and History, November 1991, p.49
[35] Interview with Wingrave Tench OBE, 16 April 1991
[36] K Thomas, "The Adventures of H & G Simonds in Malta and East Africa" p.49
[37] Ibid., p.50

was not achieved, it seemed certain that the white minority would continue to dominate Kenya's political and economic life for the Foreseeable future. The Mau Mau rebellion which began in 1952 was to change everything. Even though the movement was crushed, the Colonial Office decided it was ti1ne for the whites to begin to share power with their African and Asian compatriots, and white dominion status simply disappeared from the agenda as far as London was concerned. If, politically, Simonds ran into trouble fairly quickly, in economic terms it was not all doom and gloom by any means. Although 1953 saw no dividend at all being paid to EAB shareholders (Mau Mau was at its height and included an African boycott of white-produced beer), results in the later 1950s can best be described as reasonable, but not exciting. The scale of EAB's wartime profits (including 40 per cent dividends to shareholders) was however not going to be repeated and Simonds, realising this fact, began to slim down their holding to about 12 per cent by 1955. It can also be argued that, by 1955, business confidence within Britain was picking up and that Simonds would be looking to shift their investment portfolio to take account of these improving conditions.[38] If Simonds had hoped that an African subsidiary would have given them the financial muscle to withstand the domestic pressures of the brewing industry, then again they were mistaken. At home the problem had never really been nationalisation at all (this had always been something of a red herring) but rather the threat from their own peers and rivals within the industry. In 1959 Simonds entered into a trading agreement with the then much larger firm of Courage & Barclay, and a formal merger (or takeover) occurred the following year.

In the case of Simonds and Kenya the same themes, previously identified in the story of Barclay Perkins, can again be seen to have been present: the quest for profits and consequent corporate strength; the desire to keep funds away from the Labour government; and the role of imperially-minded businessmen. Simonds actually went ahead with their Kenyan project and in this they differ from Georges brewery in Bristol who pulled out of a Tanganyikan involvement after nine month's quite thorough research. In its way a brief study of Georges and Tanganyika is perhaps of particular use to this paper in that the impulses for expansion into Africa can be identified, along with the reasons for finally not going ahead with the project.

VII

Domestic pressures were also very much on the minds of the Georges' directors. The war years, with demand for beer often outstripping supply, had been an exceptionally profitable era and at the firm's annual general meeting in December 1944 chairman

[38] I am indebted to Dr Alison Dean for this insight.

Christopher George commented that,[39] in spite of numerous restrictions, labour shortage, transport difficulties and rationing of materials, we have sent out more than 5,000 barrels more than in the previous 12 months. During the year under review our output of beer reached a new high record, and compared with that of 1938 was 30.5 per cent higher. output, profits and dividends had all reached a buoyant high due to the artificial trading conditions of wartime. The problem facing the Georges' board, like their colleagues in rival firms, was how to maintain this position in peacetime. Only a few years later, by 1948, a number of factors had combined to change Christopher George's confident tone. Firstly the wartime boom, although initially sustained in the immediate post war years, finally ended. By 1951 the British public were consuming 21 per cent less beer than in 1945,[40] and coupled with this worrying decline was a change in consumer taste away from cask beer and towards bottled beer. This latter change, it has been argued, favoured larger brewers with the potential for national sales and marketing, and put pressure on moderate sized, regional firms.[41] An underlying pressure was that Georges, as a carefully managed and prosperous concern, was becoming attractive as a takeover proposition by larger, non-family based firms as the 1950s advanced. The directors of Georges, looking to recreate the profit margins of the boom years of the war, and always mindful of their own firm's security, looked out to East Africa as a possible source of large profits.

As with Barclay Perkins and Simonds, Georges were also suspicious of the Labour government's intentions. Beer duty, always something of a bête noir for brewery directors, for some reason seemed even more iniquitous when increases were executed by a Labour chancellor. This was certainly the case in 1947 and 1948 when Christopher George complained bitterly about the rise in both beer excise duty and the excess profits tax which, he claimed, "has resulted in a decrease in our sales".[42] In the same year Georges' share capital was increased by one million pounds: they too had cash to spend. In April 1948 the board decided to investigate the possibility of operating in East Africa and Cecil Hadley, head brewer and director, was asked to visit the continent with one of the firm's auditors and report back as soon as was possible.[43]

Prior to this decision the board had been in touch with a Mr Jan George in Nairobi, an expatriate member of the Georges' brewing family.[44]

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[39] Bristol Brewery Georges & Co (hereafter BEG), Annual Report 1944 (Courage Archives, CA/C/1)

[40] Brewers Society, U K statistical Handbook 1984, p.16. Production fell from 32,968,011 bulk barrel in 1945-46 to 24,751,586 in 1950-51.

[41] J E Vaizey, The Brewing Industry 1886-1951 (Pitman: London, 1960) pp.47-51, and W J Lyes, "Bristol United Breweries 1889-1961", unpublished diploma dissertation at the University of the West of England, 1993.

[42] BEG Annual Report 1948 (Courage Archives, CA/C/l)

[43] BEG Board Minute Book 1949-51, meeting of 5 April 1948 (GIRO, 2305/68/1/1)

Jan George was to become a most enthusiastic agent for the Bristol firm and one letter to Cecil Hadley encapsulates perfectly the disdain felt towards the labour government and the austerity of post war Britain,[45]

As far as we are concerned in Kenya we hope there will be a showdown in England and a Coalition government, at least, come into power before these damned socialists cum communists sell us all to the niggers.

The thought even occurred to the Georges' board that, in the event of the brewing industry being nationalised, a Kenyan subsidiary might actually escape this fate.[46] With Jan George urging them forwards, and with domestic pressures pushing them from behind, Cecil Hadley visited Kenya in late April and early May 1948. The first option suggested by Jan George was that Georges buy a controlling interest in Taylor & Co, a Nairobi brewery in need of investment. This would have mirrored Simonds' entry into the Fast African market but, unfortunately for Georges, Ind Coope & Allsopp also had their sights set on Kenya and it was they who came to an agreement with Taylors in May 1948, effectively blocking Georges' advance.

The other option was to build a brewery from scratch and, after Hadley's return to Bristol, Jan George identified a site on the Usa River in Tanganyika where just such a project could be brought to fruition. The site had previously been earmarked by German brewers in the days before the territory joined the British Empire, and Jan George was, as ever, enthusiastic about its potential,[47]

. . . . I would like to know whether your Board are interested in pursuing this matter further, as we feel that if we do not do something about it others soon will. There should be no danger in raising the capital, provided Georges come in on the show and give it some financial and technical backing.

Jan George was quick to point out the good rail links to the Usa site, the excellent water supply and, of course, the great opportunities that were "scheduled to take place" in the region over the next few years.[48]

Georges then approached the brewery construction firm of George Adlam and their director, G N Seton, corresponded directly with Jan George in October and November 1948 mainly concerning technical matters relating to the proposed brewery's construction and water supply. A final, detailed report from Jan George and the Nairobi business agency Bovill Matheson & Co was sent to Cecil Hadley at the end of December 1948: after nine months of

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[44] William John Hastings (Jan) George was the youngest son of William Edwards George, a former chairman of the brewery. Jan George emigrated to Kenya in 1926 to take up farming in the white highlands.

[45] BBG Africa Project: Correspondence 1948-49, letter J George to A C Hadley, July 1948 (Courage Archives, *CA.jCj210)*

[46] Ibid., in anonymous comments on the proposed brewing site on the Usa River, No date but probably late 1948

[47] Ibid., J George to A C Hadley, 4 September 1948

[48] Ibid., J George to A C Hadley, 13 April and 3 July 1948

research the time for a decision had been reached. A board meeting on 13 January 1949 decided against the project and the company secretary wrote to Jan George in almost apologetic tones,[49].

During the whole of the discussion regarding the East African project, it has been agreed that any decision to proceed ... must be unanimous; and it is very much regretted that I now have to inform you that such a decision cannot be reached. The reasons given were partly the company's heavy commitments in Britain, and the fact that the board (or certain members of the board) were just not prepared to invest £500,000 in a venture that would not show a profit for several years. Regrettably the discussion at this crucial meeting, along with the voting pattern, was not recorded but conservatism and prudence seems to have won the day in the case of Georges. The technicality of each board member having, in effect, a veto over the project meant that a decision in favour of expanding into East Africa was always going to be a tougher prospect than that which faced the boards of Barclay Perkins or Simonds. There may well have been some directors of these companies who harboured doubts, but they would have been swept along by the more enthusiastic majority.

VIII

At the outset three inter-related questions were posed regarding the brewing industry and East Africa, the first being to explain the level of activity in the region in the late 1940s and early 1950s. The major reason behind the various moves into the Sudan and Kenya can be clearly identified as domestic pressure. This pressure came in two parts: governmental antipathy (perceived or real); and the changing shape of the industry and marketplace. All three companies studied felt that the Attlee government was antagonistic to their trade, and the fear of ultimate nationalisation was a persistent unsettling factor. Even when the conservatives took office in 1951 the brewery directors remained unconvinced of the stability of the domestic scene. There were continued licencing restrictions, the maintenance of a profits tax, raw material shortages, and problems with upgrading older public houses as well as difficulties in building new ones. All these factors combined to force brewers to look elsewhere for investment opportunities.

Coupled with this national political and economic backdrop was the changing state of the industry itself. Falling domestic demand, changing consumer tastes towards bottled beers, and the growing level of merger and takeover activity, all helped to edge brewery directors towards overseas investments in the belief that not only would profits be assured, but also there would be minimal governmental interference and a relatively unpressurised marketplace. It is perhaps not surprising that the dynamic businessmen of the era (Loughnan, Disney, Swallow, Tench, Hadley, George et. al.) would look towards the Empire as a natural alternative to the domestic marketplace. After all this had been natural

[49] Ibid., J Hall to J George, 20 January 1949

outlet for generations of businessmen and investors and Fast Africa seemed to offer the stability and ideal trading conditions that these men were used to.

The results of their enterprises, the second question posed, would seem to fall into a common pattern i.e. fair commercial success in the short term, followed by uncertainty once the Sudan and Kenya had become independent in 1955 and 1964 respectively. The independence movements also coincided with the rise of Courage Barclay & Simonds as one of the largest breweries in Britain and their African investments became more and more peripheral and increasingly low key in nature. In the shorter term these entanglements bore fruit but it must be said that it was a very short term considering the level of investment and the amount of effort expended.

How does this information relate to David Reynolds' argument that the 1940s saw a "determined reassertion" of informal empire by the British through the use of economic development? At a strictly commercial level the suggestion that businessmen were knowingly reasserting Britain's informal empire cannot really be sustained. At a governmental level there may well have been the desire to reinstate the apparatus of informal empire as Britain became increasingly weaker in the post war world, but this would not have been an apparent to individual businessmen nor would they have actively pursued it. Like all businessmen, whether in the 1940s or 1990s, their first loyalty is to their company and its shareholders and not to Britain's place in the world. However, the latter can sometimes be a by-product of their commercial operations. If parts of the post war Empire seemed to offer better investment opportunities than the domestic economy then they would grasp the nettle and, by doing so, they would simultaneously be helping Britain to reassert her informal colonial influence. They may well have done this unconsciously because their main object was business, but they did it just the same and their actions ran parallel to the aspirations of the British governments of the day. It perhaps needs to be emphasised that these actions were indeed unconscious and parallel: there does not seem to have been a situation where politicians and businessmen were directly collaborating towards a common goal.

The political naivety of the businessmen over Sudan's post-independence attitudes, or towards the stability of the white settlers in Kenya, was real enough but in this, at least, they were not alone. It was to take a great deal of time and heart searching by experienced statesmen, civil servants and businessmen before Britain came to realise that the post war Commonwealth could not simply be treated in the old ways.

By Kenneth Thomas

Author's footnote, July 2013

The content of this article is contained, in various chapters, in my old PhD thesis – and this particular piece was something I presented to a staff seminar when I was lecturing at the University of the West of England during the late 1990s perhaps or maybe a few years after that, as a way of getting feedback from academic colleagues on what I was thinking at the time. As I say, eventually the ideas here were broken up and used in separate sections of the thesis.

Generally I'm very interested in the activities of British business and trade in the British Empire and the brewing trade in particular seemed a good topic for a PhD thesis as no one else had written about it. Most of the records I used were handily placed in the Courage archive (H&G Simonds in Malta and Kenya, Barclay Perkins in the Sudan, Georges and Tanganyika, and Courage in Australia). But I also travelled to the Guinness archive to research their involvement in Nigeria and Malaya, and also to Whitbread to look at their records about South Africa. The furthest I went was to Gibraltar to see the Saccone & Speed records relating to their activities in East Africa.

The London Metropolitan Archive holds some interesting records of Courage Barclay & Simonds as well as H&G Simonds Ltd, under reference: ACC_2305/60