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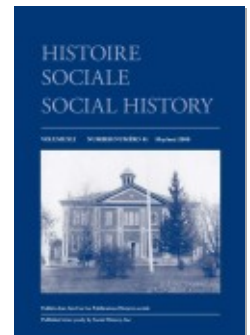
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Runcorn Brewery: The Unofficial History of a Corporate Disaster

DAVID W. GUTZKE*

Built by Bass Charrington, Britain's pre-eminent brewery in the 1960s and 1970s, Runcorn was conceived as becoming western Europe's largest brewery. Even before it opened in 1974, however, Runcorn was struck with paralysing labour disruptions, technological problems, and managerial miscalculations that would plague its history until its closure until 1991. What gave Runcorn broader significance was its role in reflecting the pervasive, but misplaced, assumptions about a new corporate culture, new technologies, the emergence of national brands, and advertising as a vehicle for replacing local consumer tastes with national markets. Oral history interviews, local newspaper accounts, the brewing industry's newspapers, and the brewery's in-house magazine afford insights into Runcorn's unwritten history.

Construite par Bass Charrington, la brasserie prééminente des années 1960 et 1970, la Runcorn devait être la plus grande brasserie d'Europe de l'Ouest. Même avant d'avoir ouvert ses portes, en 1974, la Runcorn a été victime de conflits de travail, de problèmes technologiques et de mauvais calculs de gestion qui allaient lui empoisonner la vie jusqu'à sa fermeture en 1991. Ce qui confère à la Runcorn sa plus grande importance, c'est que son rôle témoigne des hypothèses omniprésentes mais erronées quant à une nouvelle culture d'entreprise, aux nouvelles technologies, à l'émergence de marques nationales et à la publicité comme moyen de substituer les goûts des consommateurs locaux par des marchés nationaux. Des entretiens d'histoire orale, des récits à des journaux locaux, les journaux de l'industrie brassicole et le magazine maison de la brasserie nous donnent un aperçu de l'histoire non écrite de la Runcorn.

THE HISTORY of Runcorn brewery affords a view of Britain between the 1960s and early 1990s that runs counter to received wisdom about the

* David Gutzke is professor of history at Missouri State University. The author is grateful to Professor Trevor Lloyd, Professor Charles Bamforth, Dr. Jessica Gerard, Dr. Raymond Anderson, Dr. Paul Jennings, Anthony Avis, Rodney Hughes, Gus Guthrie, and Robin Gold for their helpful comments and suggestions. He also thanks the referees, whose comments improved this article immeasurably. At the request of the interviewees, the oral history interviews will remain closed for 20 years, owing to the sensitivity of much of the material. At that time, the interviews, having been deposited in a public record office in the United Kingdom, will be available to scholars.

acclaimed ability of corporate leaders from outside an industry to manage national brands, technological change, and labour relations to promote economic growth in their new setting. Within the brewing industry, H. Alan Walker, as chairman of Bass Charrington, demonstrated the limitations of a new style of corporate leadership in which talent and experience in other industries were touted as capable of transcending the weight previously attached to a lengthy apprenticeship and mobility. Under Walker's leadership, Bass had enormous difficulty establishing a national brand through advertising, failed to achieve greater efficiency and reliability from technological innovations, and displayed surprising ineptness in dealing with labour unions. These shortcomings help explain the embarrassingly short and torturous history of Runcorn Brewery, closed a quarter of a century after its creation as a mega-brewery designed to revolutionize production, distribution, consumer taste, and efficiency.¹

In the commissioned histories of Bass Charrington, written when it ranked as Britain's largest brewing company, remarkably little appears about its most ambitious project: the building of Runcorn Brewery in Cheshire in northern England. Kevin Hawkins unreservedly applauds the plan: "The decision to build the brewery... was vindicated long before it was fully operational." Indeed, he portrays Runcorn in 1978 as making a positive contribution to the group's overall financial performance. By then, its creator, Sir H. Alan Walker, who oversaw Runcorn's building and early years, had resigned as Bass chairman and joined other corporate boards outside brewing. In a foreword, published posthumously, Walker praised Hawkins's work for its "great thoroughness." Fifteen years later, Colin Owen in his official history revised Hawkins's conclusion only slightly in admitting that "the company's performance was adversely affected during 1974 by the expense and difficulties involved in the construction of the Runcorn Brewery," but mentioned nothing more — for good reason.² "The biggest brewery in Europe" was, in fact, the biggest failure in the history of this centuries-old company. Frustrated with unsuccessful new and old technologies, an appallingly designed brewery plant, acrimonious labour relations, inefficient work practices, high production costs, and the seemingly insoluble problem of

1 [Editors of Fortune], "Litton Down to Earth," *The Conglomerate Commotion* (New York: Viking Press, 1964), p. 118. I want to thank my colleague, Dr. Thomas Dicke, for this reference.

2 K. H. Hawkins, "A History of Bass Charrington" (Oxford University Press, printed 1978 but withdrawn), pp. v, 209, 225–226; Colin C. Owen, "*The Greatest Brewery in the World*": *A History of Bass, Ratcliff & Gretton* (Chesterfield: Derbyshire Record Office, 1992), p. 189. Some of Bass's unfulfilled expectations for Runcorn are discussed briefly in the scholarly survey by Gourvish and Wilson, which the industry sponsored. See T. R. Gourvish and R. G. Wilson, *The British Brewing Industry, 1830–1980* (Cambridge: Cambridge University Press, 1994), pp. 556–557.

overmanning, Bass shut the brewery less than two decades after it opened, writing off some £30 million of investment.

I

In 1967 Alan Walker (chairman of Bass Mitchells & Butlers) and E. P. Taylor (chairman of Charrington United Breweries) engineered a gigantic merger to form Bass Charrington, the country's biggest brewery, with a combined production of some 7.5 million barrels of beer annually, over 2 million barrels more than Allied Breweries, its nearest rival. Walker, as its new chairman, promoted a grandiose but largely unpublicized scheme with the building of a gigantic brewery at Runcorn, Cheshire, a new northern industrial estate near Liverpool, as the central feature. Equipped with continuous fermentation, an innovative brewing technology, Runcorn would consolidate the production of numerous local or regional breweries in northern England scattered throughout Lancashire and West Yorkshire at one new site. From there, keg beer³ would be distributed nationally by railway and tankers along a thin corridor hundreds of miles long between Runcorn and London. This strategy had much merit from a transportation perspective. As historian Tony Millns recently observes, "Given the relative cheapness of transport in the 1960s, keg beer lent itself to centralisation of production in one large brewery and so to economies of scale. Overall, large companies sought to derive competitive advantages simply from the scale of their operations, though whether they in fact did do is arguable."⁴

Developed in 1969 and code named "BC-1982," the plan envisaged closure of 16 breweries and Runcorn's attainment of the group's lowest production and distribution costs by 1982. From Runcorn would also come one new keg beer, *Brew Ten*, marketed throughout northern England, substantiating Walker's unshakable belief "that any brand of beer could be brewed anywhere" successfully.⁵

3 This is a pasteurized beer served from a keg, kept under pressure by carbon dioxide. Previously, draught beer had been cask-conditioned — unpasteurized and generally poured into a glass by a hand pump using gravity.

4 Tony Millns, "The British Brewing Industry, 1945-95," in R. G. Wilson and T. R. Gourvish, eds., *The Dynamics of the International Brewing Industry since 1800* (London: Routledge, 1998), p. 153; A. E. Bollard, *Pint-Sized Production: Small Firms in the Brewing Industry* (London: Intermediate Technology Development Group, 1982), pp. 17-23.

5 Anthony Avis, *The Brewing Industry, 1950-90: Notes and Reflections, 1950-90* (private publication, 1997), p. 101; Abby Ghobadian, *The Effects of New Technological Change on Shift Work in the Brewing Industry* (Aldershot: Gower, 1986), p. 15; Gourvish and Wilson, *The British Brewing Industry*, p. 556. There are many pertinent questions to ask about the rationale for building Runcorn. On what economic basis were decisions made? Were there any estimates of return on capital? Was big naturally assumed to be better? What were the expected economies of scale? Did they derive from plant or the size of the entire Runcorn operation? Unfortunately, the types of records needed to answer these questions — notably the crucial files on Runcorn Brewery itself

II

Diverse factors at home and abroad impelled Bass to build a new mega-brewery. Though Walker himself never spoke directly of European developments, the widening importance of globalization must have influenced his thinking to some extent.⁶ From the 1950s and for the next two decades, beer consumption rose steadily in western Europe, as in the United Kingdom, with only Italy diverging from this trend early in the 1970s. By building Runcorn, Walker was anticipating the greater demands on brewing capacity that Bass logically expected in the immediate future. His decision to erect Runcorn as a mega-brewery differed from continental breweries not so much in philosophy as in its immense size. Throughout western Europe, especially in the Netherlands and Denmark, firms were constructing or enlarging breweries on a much larger scale in the 1960s and 1970s. There was also the fact that globalization posed no threat to Britain's home beer market. Because beer imports from Europe remained quite small, Walker reasonably foresaw rising domestic demand for Bass's products, one key rationale for establishing a mega-brewery.⁷

Within the British brewing industry, economic and technological factors encouraged a pervasive assumption about the desirability of fostering a national beer market. Since consumers were abandoning top-fermented, cask-conditioned, unpasteurized beers, brewing executives came to see an opportunity for establishing national beer brands. Unpasteurized draught mild, brown ale, and bottled stout had dominated the beer market for most of the century, but from the late 1950s, breweries aggressively began marketing keg beer, a filtered, pasteurized, carbonated, sparkling beverage, with a longer shelf life that required of the retailer far fewer skills to serve and maintain. Watney had *Red Barrel*, Allied *Draught Double Diamond*, Whitbread *Trophy*, and even Bass had its *Worthington E*. In the following decade, bottom-fermented, pasteurized lager beers, popular on the continent and served at lower temperatures than the conventional 54° to 56° F of cask-conditioned beers, started growing rapidly in popularity. By focusing on limited numbers of brands

and the minutes of the Bass Charrington Board of Directors — have not been deposited at the Coors Museum, formerly owned by Bass Charrington (Catherine Lister, assistant curator, Coors Museum, to author, May 30, 2005). To fill this critical void, I have turned to oral history interviews, private correspondence, memoranda, brewing industry and local newspapers, Runcorn's printed in-house newsletter, and the published recollections of one Bass executive, Tony Avis.

6 This theme is explored in Richard G. Wilson and Terry R. Gourvish, "The Foreign Dimensions of British Brewing (1880–1980)," in Erik Aerts, Louis M. Cullen, and Richard G. Wilson, eds., *Production, Marketing and Consumption of Alcoholic Beverages Since the Late Middle Ages*, Session B–14 (Leuven, Belgium: Leuven University Press, 1990), pp. 131–134.

7 T. R. Gourvish, "Concentration, Diversity and Firm Strategy in European Brewing, 1945–90," in Wilson and Gourvish, eds., *The Dynamics of the International Brewing Industry*, pp. 82–87.

and aggressively marketing them with expanding advertising budgets, regional breweries accelerated a takeover trend that soon became “a merger mania.” In the two decades following 1954, some 200 breweries merged with larger companies, culminating in the emergence of seven national giants controlling about 80 per cent of the beer market: Bass Charrington, Courage, Guinness, Ind Coope, Scottish & Newcastle, Watney Mann, and Whitbread. As they vied for an increased market share, the national breweries supplanted local or regional brands with national ones. Advertising keg and lager beers throughout the country led to a steady contraction in the retailing of different beer brands, their total numbers falling by half from 3,000 to just 1,500 in the 1970s.⁸

Inadequate facilities of many local or regional breweries, together with the need to introduce a new technology for lager brewing, induced the emergent national companies to adopt a two-fold business strategy: steadily close old, antiquated small-scale breweries to consolidate production; and replace them with new, state-of-the-art huge breweries. During a 15-year period (from 1966 to 1980), the seven big national companies shut 57 breweries, with Bass among the leaders closing 15 breweries. Eventually in the 1980s the national concerns evolved a new strategy of having two main breweries, one in the north, the other in the south. Convinced larger breweries could achieve economies of scale and thereby sharply cut production costs, all the national companies built big breweries on greenfield sites or rebuilt and enlarged existing breweries in the years from 1963 to 1980. The widening network of motorways, enabling breweries to advertise and distribute small numbers of beer brands nationally, reinforced this view of the market as “big is better.”⁹

In a wider context, Bass was likewise embracing an approach for long-term growth common elsewhere in British industry. Expectations of steadily rising domestic demand dominated the thinking of the British Steel Corporation early in the 1970s. Here, too, the philosophy was to consolidate production into fewer sites with enlarged capacities and cutting-edge technology. The parallel between brewing and steel was similar in another sense. In each instance, falling demand before the decade’s end ultimately led to overcapacity, scaled-back production, huge redundancies, labour strife, desperate “survival plans,” and eventually the closure of huge mills and breweries. The dismantling of steel mills such as Consett in Durham in 1980 foreshadowed Runcorn’s similar fate in 1991.¹⁰

8 *Publican*, November 8, 1979; Gourvish and Wilson, *The British Brewing Industry*, pp. 447–450.

9 H. Douglas Watts, “Understanding Plant Closures: The UK Brewing Industry,” *Geography*, vol. 76 (1991), pp. 320–324; Gourvish and Wilson, *The British Brewing Industry*, pp. 502, 506–507.

10 Heidrun Abromeit, *British Steel: An Industry Between the State and the Private Sector* (Leamington Spa, Warwickshire: Berg, 1986), pp. 129–134, 139, 141–143; Tony Kearney, *Painted Red: A Social History of Consett, 1840–1990* (Consett, Durham: DCA, 1990), pp. 67–70.

III

How, then, did Bass diverge from the consensus in the industry when building its new brewery at Runcorn? Only Whitbread and Bass of the emergent national breweries erected new breweries in the northwest in the 1960s and 1970s. Likewise, when rebuilding breweries, the national companies studiously avoided the north. Of the eleven rebuilt breweries, just two were in the north, one of them on the Tyne in the northeast. Allied alone invested money in the northwest, rebuilding its Warrington brewery in Lancashire. Hence, Bass deviated from the industry norm in regarding the north as the appropriate location not only for expansion of plant capacity, but for building an entirely new brewery on an unprecedented scale by any yardstick of leading breweries.¹¹

Walker had complex motives for selecting Runcorn as his site for a new brewery, especially since Bass already owned huge breweries in Cape Hill, Sheffield, Burton, and London with adequate space for expansion. He himself had been converted to the idea of centralizing production by the somewhat exaggerated assertion that approximately three-quarters of Britain's population lived within a corridor 20 miles wide between Merseyside and London. Because of the railway, he argued, Bass really required just two giant breweries — the existing Mitchells & Butlers facility at Cape Hill (Birmingham) and Runcorn. At a secret meeting of executives in London, Walker announced that “transport would be by rail from Runcorn straight to a new depot to be built on the site of Charrington's old bottling plant at Whitechapel [in London's East End], dropping off supplies en route and picking up the empties on the return.” Walker's handpicked supporters, including Jim Lloyd, member of the Board of Directors, cited negligible transportation costs of a penny per beer barrel more as a persuasive reason for the scheme.¹² In addition, an investigative committee, which included Jim Lloyd, reported that labour relations were deemed “normal,” another powerful rationale for a huge new brewery. If Bass expanded its Burton brewery instead of building anew at Runcorn, Lloyd stressed, the company would be vulnerable to a strike, crippling production and distribution, because “we would be

11 Gourvish and Wilson, *The British Brewing Industry*, p. 506; Watts, “Understanding Plant Closures,” pp. 321–324.

12 Tony Avis to author, August 31, 2003; Avis, *The Brewing Industry*, p. 106; Tony Avis to Richard Wilson (copy in author's possession), September 8, 1994; Owen, “*The Greatest Brewery in the World*,” pp. 184–185. One of the executives attending the meeting, Jim Lloyd, a staunch Walker supporter, later denied that Runcorn would assume such a role, but Jim Collinson and Rodney Hughes corroborate Avis's recollection (J. R. Lloyd to Tony Avis, September 14, 1997 [copy in author's possession]; author's interview with Jim Collinson, August 7–8, 1999; author's interview with Rodney Hughes, July 27, 2002; Rodney Hughes to author, October 8, 2003).

putting too high a proportion of our production on one site.”¹³ Harold Wilson’s Labour government, moreover, promised Bass a £6 million development grant for establishing a plant in the economically depressed industrial north. Finally, Runcorn proponents contended that a new brewery with revolutionary technology would be far more efficient, with lower labour costs and beer losses but projected higher profits, than the antiquated breweries scheduled for closure. Impressed with these compelling arguments, one financial investment analyst company optimistically predicted that Bass could benefit as much as £6 million annually by operating Runcorn.¹⁴

Outside Bass’s Board of Directors these assertions aroused much scepticism, especially among field executives. Among the most knowledgeable authorities were two Bass brewers who would interpret Runcorn’s history quite differently. Jim Collinson, Production Director for Charrington Lancashire Breweries late in the 1960s, with almost 30 years’ experience in the industry, ridiculed the alleged savings on distribution costs as absurd. According to the conventional wisdom in the industry, economies of scale and distribution costs dictated a brewery with an optimum size of 2.5 million barrels of beer annually, far short of the mega-brewery unprecedented in productive capacity envisaged by Walker.¹⁵ Runcorn, its projected capacity a staggering 3.6 million barrels annually (almost half of Bass’s total output), could find its production easily disrupted, even halted, throughout the entire Bass Charrington group with a strike.¹⁶ In this context, big was not necessarily better.

13 J. R. Lloyd to author, September 24, 1998; J. R. Lloyd to Tony Avis (copy in author’s possession), September 14, 1997. Yet Walker’s executives’ distrust of the Burton workforce was not shared throughout the industry. Allied Breweries, on behalf of its subsidiary, Ansells Brewery, another large midland brewery, seriously entertained the idea of building a transport depot and manufacturing plant in Burton in 1971. For its own part, Allied invested heavily in Burton in the early 1970s with a new brewhouse, fermentation block, and other improvements. F. Roberts, “Developments at Allied,” *Brewers’ Guardian*, vol. 103 (March 1974), pp. 39–42. I am grateful to Dr. Raymond Anderson for the Roberts citation.

14 Author’s interview with Rodney Hughes, July 27, 2002; Hawkins, “A History of Bass Charrington,” p. 210.

15 Tony Avis to author, November 21, 2003; J. R. Lloyd to author, September 24, 1998; Jim Collinson to author, September 24, 1998; author’s interview with Rodney Hughes, July 27, 2002; author’s interview with Gus Guthrie, December 2, 2003. Walker envisaged a mega-brewery far too large for optimum efficiency. Runcorn’s projected capacity, 3.6 million barrels, vastly exceeded the 1.84 million barrels that scholars have identified as the level for achieving the highest economy of scale in the mid-1960s. Anthony Cockerill, “Economies of Scale, Industrial Structure and Efficiency: The Brewing Industry in Nine Nations,” in A. P. Jacquemin and H. W. de Jong, eds., *Welfare Aspects of Industrial Markets* (Leiden, Netherlands: Martinus Nijhoff Social Sciences Division, 1977), pp. 292, 297.

16 Runcorn’s projected output was a closely guarded secret. Two recent official histories, eager to downplay the failure of Runcorn to realize its expected potential, gave 2.5 million barrels as the annual production, but an internal document, co-written by the Plant Director and published soon after the brewery opened, put the figure at 3.6 million barrels. Two executives who worked at Runcorn, Gus Guthrie and Peter Comline, corroborated the accuracy of the higher figure. Gourvish and Wilson suggest Bass entertained building a brewery capable of producing 9.75

Across the River Mersey from Runcorn and surrounding the major port of Liverpool was Merseyside, an area that became synonymous with labour strife. Between 1949 and 1973, the docks were “the most strike-prone industry in the United Kingdom,” even exceeding combative mine workers: every second dock worker became involved in a strike, compared with fewer than every third miner. Industrial action in the docklands, which had been intensifying in the early 1960s, especially in the northwest, soared from 1968 onwards, mirroring rising union density nationally. Critical were the years 1965 to 1973, when Bass built Runcorn. A fall of almost one-third in the port’s trade, and of nearly half of those employed, provoked militancy in Liverpool, the focus of Merseyside and home to the Transport and General Workers’ Union (TGWU), the pre-eminent docklands’ union.¹⁷

As a site, Runcorn therefore had serious drawbacks. Union membership grew rapidly in the brewing industry following World War II, with a higher proportion of workers in the food and drink sectors unionized by the TGWU by 1979 than in any other industry. Mindful of the chronic labour unrest that had delayed building of a vast racking plant at Runcorn and that had sent costs spiralling upward to some £2 million, Guinness executives cautioned their Bass counterparts: “Whatever you do, ... when you’re looking for plant,” they advised Lees-Jones, “go [further] south ... and try and attract people from that area.”¹⁸ Walker and other Bass executives chose to ignore this well-meant advice.

million barrels annually, but this evidently was no more than a theoretical possibility, reflecting the vast unused land at the site. Bass’s Burton brewery, after expansion, soon had a capacity of 1.5 million barrels. Coors Museum, Bass Charrington Collection, Arthur Seddon and Raymond Woodland, “Optimisation of Effluent Treatment in a Large New Brewery” (n.d.), p. 3; Owen, “*The Greatest Brewery in the World*,” p. 188; Hawkins, “A History of Bass Charrington,” p. 209; author’s interview with Peter Comline, November 29, 2003; author’s interview with Gus Guthrie, December 2, 2003; Gourvish and Wilson, *The British Brewing Industry*, pp. 556–57; also see Coors Museum, Bass Charrington Collection, *Runcorn Brewery Newsletter*, August 26, 1976.

17 C. T. B. Smith, Richard Clifton, Peter Makeham, S. W. Creigh, and R. V. Burn, *Strikes in Britain: A Research Study of Industrial Stoppages in the United Kingdom* (London: H. M. Stationery Office, 1978), pp. 27–30. Density was the percentage of workers unionized as a proportion of the potential union membership. This statistic, stagnating for two decades, surged in 1968, growing from 44% to an apex of 55% in 1979. Robert Price and George Sayers Bain, “Union Growth in Britain: Retrospect and Prospect,” *British Journal of Industrial Relations*, vol. 21 (1983), pp. 46–48; Tony Avis to author, November 21, 2003; J. W. Durcan, W. E. J. McCarthy, and G. P. Redman, *Strikes in Post-War Britain: A Study of Stoppages of Work Due to Industrial Disputes, 1946–73* (London: George Allen & Unwin, 1983), pp. 272–273, 276–277, 279, 284; Gourvish and Wilson, *The British Brewing Industry*, pp. 518–519.

18 Durcan *et al.*, *Strikes in Post-War Britain*, pp. 292–297; Tony Avis to R. G. Wilson (copy in author’s possession), September 8, 1994; *Brewers’ Guardian*, May 1970 and March 1974; author’s interview with John Lees-Jones, July 26, 1998; author’s interview with Rodney Hughes, July 27, 2002; Tony Avis to author, November 1, 2003.

Scholars have convincingly confirmed what many contemporaries strongly suspected: a clear correlation existed between plant size and strike propensity, with the larger the plant, the higher the incidence of industrial action. Thus Runcorn's anticipated colossal size exposed Bass to the same type of labour militancy that had theoretically disqualified its Burton brewery from enlargement. "Once you committed the brewery to closing [its] other [regional] breweries," Guthrie noted, "the unions had us over a barrel," a point the unions quickly grasped. "When they did go on strike, the pressures to concede were absolutely immense, and sometimes I had to swallow my pride and concede things that I hated doing."¹⁹

During three years of construction, five lengthy strikes disrupted, sometimes even paralysed, the work force, transforming Runcorn into what John Lees-Jones, another Bass brewer, called "a tremendous industrial relations headache." Seemingly endless disputes over salaries and bonus incentives involving diverse trades — from joiners and bricklayers to electricians — embittered labour relations between Monk & Co., the chief sub-contractor, and the TGWU, the main union representing the construction workers. Paid £17 a week at the outset as a basic wage in the spring of 1971 when the average national male manual worker's earnings were £29, labourers were demanding twice as much the following January and pressed their claim in a strike lasting several weeks, the third and most rancorous industrial conflict at the building site in less than a year. Indicative of growing labour militancy, the strike had to be adjudicated by the Civil Engineering Industry Conciliation Board.²⁰ Months later in June 1972, another damaging dispute halted all building at Runcorn for over two months when it became targeted for a selective strike. Any prospect of settlement disappeared in August when workers voted to join a national strike by the TGWU calling for a £30 wage and a 35-hour work week. The response of Monk & Co. — "it's crazy that our chaps should have joined in this particular strike" — reflected incredulity because workers at the brewery site were already paid more owing to bonus incentives.²¹ No other strike proved as severe or as dislocating. The dispute put the project four months behind schedule, a major factor in its soaring costs. But the most devastating setback came when, the brewery almost completed, the roof of the massive bottling store mysteriously caught fire, virtually destroying the structure. Rumour had it that the

19 Author's interview with Gus Guthrie, December 2, 2003; Smith *et al.*, *Strikes in Britain*, pp. 63, 82–83.

20 *Runcorn Guardian*, February 4, 1972; author's interview with Jim Collinson, August 7–8, 1999; author's interview with John Lees-Jones, July 26, 1998; Trevor Lloyd, *The Great Inflation* (Oxford University Press, forthcoming).

21 *Runcorn Guardian*, August 18, 1972; *Runcorn Weekly News*, March 14, 1974.

timing of the blaze “was a cunning ploy by the building force to prolong their work for another year.” No incriminating evidence of arson emerged then or later, but informed observers noted that new building sites nearing completion on Merseyside seemed exceptionally prone to such conflagrations.²²

There was no doubt that unions proved themselves to be difficult, even obstructive, but, when viewed over the brewery’s history, what stands out is Bass’s mishandling of relations with unions. Far more could have been done to bring unions into a constructive partnership rather than perpetuate an atmosphere of distrust, hostility, and animosity. In this sense, union leaders’ misbehaviour simply mirrored the pugnacity of their corporate counterparts. Bass’s tortuous record in dealing with unions in Runcorn sharply contrasted with the approach of one of its rivals, Whitbread, which also had built a northeastern brewery in Samlesbury, near Preston in Lancashire, several years earlier. That Whitbread’s, but not Bass’s, northern brewery survived testifies to the importance of managerial skills as a vital component in corporate leadership. Commitments of money were comparable. Whitbread invested heavily in Samlesbury, spending six times the cost of the brewery within six years of its opening in 1972.²³

Two years behind schedule when it began brewing in May 1974, Runcorn cost a staggering £26 million, £5 million more than Bass had budgeted.²⁴ Built on a site of 44 acres, Runcorn was soon touted as “the largest brewery in Europe.” This was no idle boast. Whitbread’s new brewery at Luton brewed 1.25 million barrels annually, about one-third of the group’s total output, whereas Bass’s Runcorn Brewery was designed for a capacity nearly three times greater.²⁵

IV

Supplanting local northern beers with one new beer sold throughout the region henceforward became part of the rationale for building a huge new brewery. Runcorn, in fact, was deliberately designed for large volume production of two beers, *Worthington E* and *Brew Ten*, a new, low-cost, palatable beer designed by Maurice Bradley. The existing

22 Tony Avis to author, September 21, 2003. Common to many new buildings with flat roofs, including Runcorn, was a serious design flaw that may have directly caused the fire (author’s interview with Gus Guthrie, December 2, 2003).

23 Author’s interview with Jim Collinson, August 7–8, 1999; Nicholas Redman, *Samlesbury Brewery: 25 Years of Success, 1972–97* (London: Whitbread & Co., 1997), pp. 9, 12.

24 Gourvish and Wilson put the cost at £20 million (*The British Brewing Industry*, p. 506).

25 *Runcorn Weekly News*, March 14, 1974; *Brewers’ Guardian*, July 1969 and December 1975; author’s interview with Jim Collinson, August 7–8, 1999; Seddon and Woodland, “Optimisation of Effluent Treatment,” p. 3.

northern regional breweries were supposed to shift to *Brew Ten* as a preliminary step to its being transferred to the new brewery once Runcorn opened.²⁶

Like so many other plans for Runcorn, this one miscarried. *Brew Ten* was intended to forestall the infections, caused by frightful cellar conditions in pubs, that had afflicted its predecessor, *Hammond's Bitter*. In eliminating these related problems, however, Bass created an undrinkable beer that gave consumers horrible headaches the following day.²⁷ “Even hardened men gave up,” remembered Bass brewer Rodney Hughes. He himself had attended the launch of *Brew Ten* at a Huddersfield pub, where he consumed a considerable amount, apparently innocuously, while awaiting a buffet that materialized hours late. On awakening the next morning in Tadcaster, he said, “I felt absolutely as though I were dying” and “for another twenty-four hours we were just absolutely gone.” As an experienced brewer and beer devotee, Hughes instinctively knew that there was “something . . . desperately wrong with this beer after [one had] drunk a few.” Consumers shared his misgivings. Northern men, deeply committed to local breweries, reacted angrily to the replacement of their beloved brews by this bastardized version of beer and promptly formed anti-*Brew Ten* clubs, posting signs proclaiming, “Say No to *Brew Ten*.” In an ominous foretaste of later events, *Brew Ten* became, in Hughes’s own graphic words, “a dead duck before Runcorn even opened” that was “was allowed to wither on the vine.” Unquestionably, *Brew Ten* ranked as one of Walker’s great fiascos and “made us look very foolish,” Hughes admitted. “Producing a beer that no one could drink. How stupid can you get?”²⁸

26 Author’s interview with Rodney Hughes, July 27, 2002. Officially, another view was promulgated. According to the most recent company history, “Bass Charrington’s strategy recognized the importance of regional tastes and preferences. The group’s regional marketing companies retained their own range of draught and bottled beers produced by the regional breweries” (Hawkins, “A History of Bass Charrington,” pp. 210–211).

27 *Brew Ten* was produced by rapid fermentation at high temperatures to reduce the fermentable carbohydrate in the beer, making it quite resistant to infection. The side effects of high temperature fermentation — fully grasped by brewers — was that the beer contained enhanced levels of fusel oil, a recognized factor in hangovers. J. S. Hough and R. Stevens, “Beer Flavour IV: Factors Affecting the Production of Fusel Oil,” *Journal of the Institute of Brewing*, vol. 67 (1961), pp. 488–494. I am grateful to Dr. Raymond Anderson for both this explanation and the reference.

28 Author’s interviews with Rodney Hughes, July 27, 2002 and August 13, 2003; author’s interview with Gus Guthrie, December 2, 2003. Watney had received a similar rebuff when it tried to repackage its premium keg bitter, *Red Barrel*, as simply *Red* earlier in the decade. Raymond G. Anderson, “Watneys,” in Jack S. Blocker, Jr., David M. Fahey, and Ian R. Tyrrell, eds., *Alcohol and Temperance in Modern History: An International Encyclopedia* (Santa Barbara: ABC-Clio, 2003), vol. 2, p. 646.

Market segmentation in the beer market in the 1970s thus caught both Bass and Watney wholly by surprise. On one hand, the phenomenal appeal of lager belied prevailing assumptions about the staying power of nationally advertised keg beers. Both breweries, on the other hand, also misread consumer response. Efforts to replace beers that smaller breweries still brewed for local or regional consumption antagonized drinkers and provoked a backlash against bland, insipid keg beers. Founded in 1971, the Campaign for Real Ale (CAMRA) launched a furious counterattack on “keg fizz,” with its homogeneous taste and bland flavour. Within five years its membership topped 30,000. Variety, robustness, and a lack of homogeneity characterized the beers — overwhelmingly bitters and milds — that CAMRA promoted. Confronted with this hostile consumer movement — it soon vilified Watney’s as “Grotney’s” — and the explosive growth of lager, brewing executives belatedly came to see the fallacy of regarding beer drinkers as a homogeneous group eager to imbibe nationally advertised keg beers. Whether Watney’s *Red* or Bass’s *Brew Ten*, the beers seeking a national market were unsuccessful not simply because they arrived after the formation of CAMRA, but because brewing executives — no longer drawn from the original brewing families — misunderstood the importance of tradition in beer drinking. Real beer tasted vastly superior to the bland keg beers promoted by national advertising and embodied a sense of tradition, rooted in a specific locality that symbolized a British heritage, which modern technology and advertising gimmicks seemingly threatened. In Walker’s defence, Watney’s inability to anticipate changes in consumer taste makes his own failure seem less of an anomaly.²⁹

V

Runcorn was not only mammoth, but meant to symbolize technological excellence, the first new brewery to incorporate continuous fermentation, the leading scientific advance heralded as a monumental breakthrough in producing beer. The process attracted brewers because British drinkers in the 1960s, encouraged by large-scale advertising, were turning from huge numbers of diverse, unpasteurized, local brews with individual tastes to national brands of pasteurized keg beers promising a homogeneous, predictable (if bland) flavour. Keg beer was equivalent to refined white bread in a barrel. Pioneered first in New Zealand late in the 1950s, the new method, which required the brewing of one beer extensively to achieve huge economies of scale, replaced batch fermentation, conducive to both small-scale production and rapid changes in the beer market.

29 Gourvish and Wilson, *The British Brewing Industry*, pp. 458, 566–568; Anderson, “Watneys,” pp. 646–647; Andrew P. Davison, “Campaign for Real Ale (CAMRA),” in Blocker *et al.*, eds., *Alcohol and Temperance*, vol. 1, pp. 128–129.

Brewing executives especially liked the promise of cheaper beer, more efficiently and quickly produced, offered by continuous fermentation. Claims of labour savings of 30 per cent and a revolutionary reduction of brewing time for some beers from nine months to two days made continuous fermentation a seductive technology.³⁰ Economic savings then reinforced new trends in beer drinking to make a powerful appeal to breweries.

Other factors also contributed to the allure of continuous fermentation. Watneys, one of the seven national brewing groups, became the industry's leader in the new process, with some 20,000 barrels manufactured weekly. The fact that a brewery of such commanding size adopted this technology so quickly and for so long (1960–1975) undoubtedly gave other breweries strong incentives for doing so as well. Greenall Whitley, a large northern regional brewery, also aggressively embraced continuous fermentation.³¹ “No large brewing group can lightly dismiss its technological and economic superiority over all other known fermentation systems,” declared R. W. Ricketts, Burton's Quality Control Manager at Bass. Another fanatical supporter, A. D. Portno, who would soon join Bass as a brewery scientist, foretold an industry in which “continuous fermentation will be adopted generally for all but a minority of special beers.” Bass's scientists and soon leading members of the Board of Directors, dazzled by this evidently revolutionary method, made a persuasive case to Walker himself.³²

The new system would help Runcorn earn a reputation as the “nothing goes right brewery.” While Walker was chairman, Mitchells & Butlers had conducted a pilot scheme at the Cape Hill Brewery in the 1960s, not with the standard multi-vessel system but with a single-vessel APV Tower Continuous Fermenter.³³ Indeed, Bass committed itself unequivocally to the single-vessel system: Charrington had experimented with the multi-vessel technology in a pilot plant at its Mile End Brewery in London, but Bass discontinued this project soon after the two companies merged. Touted as allegedly superior as a second-generation technology, the single-vessel system went into commercial use at both Cape Hill and Burton, producing at peak a claimed 8,000 barrels per week. This beer

30 Gourvish and Wilson, *The British Brewing Industry*, p. 544.

31 *Brewers' Guardian*, March 1959; L. R. Bishop, “A System of Continuous Fermentation,” *Journal of the Institute of Brewing*, vol. 76 (1970), p. 172; Coors Museum, Runcorn newspaper clippings, Stephen Foster, “Continuous Fermenters Get the Cold Shoulder,” unidentified story, September 1976; Anderson, “Watneys,” p. 646.

32 R. W. Ricketts, “Review of Fermentation Systems,” *Brewers' Guardian*, July 1970; A. D. Portno, “Theoretical and Practical Aspects of Continuous Fermentation,” *Wallerstein Laboratories Communications*, vol. 38 (1970), p. 160.

33 One of the people involved, Gus Guthrie, later went to Runcorn and served as its managing director. R. G. Ault, “Biological and Biochemical Aspects of Tower Fermentation,” *Journal of the Institute of Brewing*, vol. 75 (1969), p. 260.

was always blended with other batch-fermented beers, however, never sold alone. Much of this apparent success, recalled the *Runcorn Brewery Newsletter*, derived from Arthur Seddon, a dynamic, energetic champion of continuous fermentation, whom Walker promoted from head brewer to plant director at Burton in 1967. So infectious was the idea of Bass leaping into the forefront of technological change that it placed orders for 14 single-vessel APV Tower Continuous Fermenters before Seddon had in fact perfected the method for commercial use on Runcorn's unprecedented scale.³⁴

While officially expressing complete confidence in the new technology, Bass scientists privately struggled to make the system operational. In May 1975 came the first inkling of trouble when the *Runcorn Brewery Newsletter* disclosed that continuous fermentation had "presented problems." As Gus Guthrie would later admit, "it was my job . . . to try and make the towers work, and I failed, and so fundamentally it was wrong." Beers were actually brewed with continuous fermentation, but their quality was decidedly inferior to those produced by a rival technology. For six months more, Guthrie and other brewers vainly sought to brew successfully with the system; by Christmas defeat was implicitly admitted.³⁵

To the 13 Nathan Conical Fermenters already installed at Runcorn, Bass added 23 more over the ensuing ten months, giving the brewery a capacity of almost 2.5 million barrels, well short of the planned 3.6 million barrels. Even this more modest capacity was never reached before 1979, the year Runcorn brewed a record 2 million barrels, which established a production record unsurpassed in the brewery's entire history. Thereafter, plummeting beer consumption and soaring transportation costs, caused by rising oil prices in the 1980s, meant that Runcorn lost whatever claim it had as "Europe's largest brewery" and its strategic role as Bass's pre-eminent brewery with national distribution.³⁶

Long before, in January 1976, Alan Walker, who had set the brewery's course, had left the company, leaving behind numerous unsolved problems. One pressing matter was what to do with the conspicuous continuous tower fermenters. Bass continued to be reminded embarrassingly of its technological blunder when hordes of curious visitors pointed to them and inquired about their purpose. "So that no one could see them," Rodney Hughes remembered, Bass erected a huge wall around the fermenters to

34 M. Handley, "Developments in Bass Breweries," *Brewers' Guardian*, June 1974; *Runcorn Brewery Newsletter*, July 25, 1976; author's interview with Gus Guthrie, December 2, 2003.

35 *Runcorn Brewery Newsletter*, May 30 and Christmas 1975; May 4, August 26, and October 22, 1976; author's interview with Gus Guthrie, December 2, 2003; William Baxter, "Developments in Fermentation and Conditioning Plant," *Brewers' Guardian*, November 1976.

36 *Runcorn Brewery Newsletter*, Christmas 1975; February 19, May 4, and October 22, 1976; *Brewer*, November 1988.

“pretend that they weren’t there.” Ultimately, pressure of space led to these 14 APV Tower Continuous Fermenters, originally costing well over £1 million, being discarded as waste.³⁷ Thus ended Bass’s abortive effort to become a technological leader in the industry.

Why were those involved with perfecting continuous fermentation as part of launching Runcorn seemingly in a state of self-denial over its increasingly obvious shortcomings? “This just needs fine tuning” was the oft-repeated official explanation of top executives when difficulties arose. Privately, David Maule, charged with implementing the continuous fermenters under Seddon’s supervision at Burton, confided to Rodney Hughes that they had been unable to “make them work properly.” Guthrie expressed the same point about continuous fermentation: “on paper it works, in practice it doesn’t.” Proponents of the new system, however, simply would not contemplate failure: “Everyone was so adamant that it was a system which worked,” Hughes recollected. Writing in 1976 as Bass’s new trade development officer, A. D. Portno could still express belief in the likelihood that the technology would realize “some of the optimistic forecasts of the nineteen-sixties.” This steadfast insistence reflected the conviction of scientists and technologists who championed continuous fermentation within Bass to the extent that, as the brewery almost alone had moved forward with a newer version of the technology, failure would be associated with the company, not with the industry as a whole. Public retreat from this exposed position thus became much harder at Bass than at other breweries formerly keen on the system. Privately, a pessimistic Guthrie presented a case that overwhelmed even the “belligerent” Portno: he weighed the files of the two competing technologies to demonstrate that the physical volume of complaints against and problems with continuous fermentation vastly exceeded that in the batch fermentation file.³⁸

Hubris also partly explains why continuous fermentation advocates at Bass did not jettison the technology sooner. When Runcorn opened, this experimental technology had already been discredited. Continuous fermentation, far from being cutting-edge technology, was discarded even by those companies that had been its most enthusiastic supporters. Watneys, the industry’s leading exponent of the system, would stop production at the four different breweries where it existed. At no time, even at the apex of their popularity early in the 1970s, did such beers

37 Author’s interviews with Rodney Hughes, July 27, 2002 and August 13, 2003.

38 Apart from Bass, only Greenall Whitley had installed one single-vessel APV Tower Fermenter in 1969, with two more added later, but these were never used except at peak production periods. *Brewers’ Guardian*, December 1977 and December 1975; Foster, “Continuous Fermenters”; Ault, “Biological and Biochemical Aspects of Tower Fermentation,” p. 260; author’s interview with Rodney Hughes, August 13, 2003; A. D. Portno, “Continuous Fermentation – Past, Present and Future,” *Brewing Review*, April 1976; author’s interview with Gus Guthrie, December 2, 2003.

account for more than 4 per cent of the total output in the entire country. One crucial technical shortcoming was that the beers were highly susceptible to bacteria. Maule himself had complained to Hughes of “never ending infection problems, which they [i.e. he and Seddon] could never sort out.” Beers brewed with continuous fermentation were also prone to yeast changes, a serious fault in an industry that relied on consistent flavour to establish credibility with the public. From a consumer’s point of view, the product, brewed at higher temperatures than batch-fermented beers as a means of controlling infection, fell somewhat short of perfection. Maule knew all too well that such beer “didn’t taste the same” as a different version brewed elsewhere. Guthrie, who also worked closely with the technology, wholly agreed. Even the commercially successful Watney’s *Red Barrel* “was more a technological than a gastronomic marvel,” a brewing scientist remarked. There were also economic problems — continuous fermentation never fulfilled its reputation as a system with lower operating and cheaper production costs. In addition, consumers had begun to reject the marketing strategy of the big seven, which had aggressively promoted national keg brands of beer. The growing popularity of traditional unpasteurized beers, which CAMRA dubbed “real ales,” fostered market segmentation and multi-brand breweries, two developments that negated the economic benefits of brewing one brand on a large scale, the key rationale for continuous fermentation. Finally, a rival technology now being widely used, the Nathan Conical Fermenter, proved to be superior, partly because of its greater flexibility.³⁹

Why, then, did Bass persist with a technology widely regarded as a failure? Fear weighed heavily on the minds of the scientists and technologists who had trumpeted continuous fermentation as heralding a new world of brewing. To have to admit error, even perhaps to having misled the Board with false hopes, would have damaged their career prospects with any company; at Bass, with Alan Walker in charge, it surely would have been a fatal blow. Walker’s character, what Tony Avis called his “style of ruthlessness,” brooked no criticism and solicited no advice: his was not so much the role of a chairman of the board seeking consensus as a pontificating autocrat issuing fiats. “As the news of this scheme spread through the company, so the doubts arose about the wisdom of it,” recalled Tony Avis, Bass’s estate director, a former regional director, and a man born into the trade who had served a lengthy apprenticeship as

39 Author’s interview with Rodney Hughes, August 13, 2003; R. S. W. Thorne, “Continuous Fermentation in Retrospect,” *Brewers’ Digest*, February 1968, p. 50; Bishop, “A System of Continuous Fermentation,” p. 172; John Hoggan, “Recent Developments in Brewing Technology,” *Brewers’ Guardian*, March 1972; *Fermentation and Maturation: Manual of Good Practice* (Nurnberg: Getranke-Fachverlag Hans Carl, 2000), pp. 125–126; Robert Bud, *The Uses of Life: A History of Biotechnology* (Cambridge: Cambridge University Press, 1993), pp. 116, 120; author’s interview with Gus Guthrie, December 2, 2003; Davison, “Campaign for Real Ale,” pp. 128–129.

company secretary to H. L. Bradfer-Lawrence, an earlier empire-builder in the industry. Walker warned dissidents of his firm intention to sack vocal critics. “Within B[ass] C[harrington] opposition not merely ceased,” Avis recollected, “the project was not even mentioned casually.” Dominated by Walker, the Bass Board of Directors and many top-level executives would not challenge him on any major issue, much less on Runcorn. Avis remembered the essence of the man and his advisers: “Nobody stood up and said ‘That’s nonsense’ about anything, or, ‘I disagree violently’ — or something; they all agreed with him. And he had this carefully cultivated aura of success — and you don’t argue with somebody who is successful. Never mind that a lot of the things he did, on reflection, were not very successful.”⁴⁰

Given Walker’s intimidating personality and plausible threats of reprisal against detractors, no one felt foolhardy enough to admit to the growing realization that the Tower Fermenter was duff technology. But Walker’s bullish character on this issue typified his whole managerial style: “I doubt if H A[lan] W[alker] was really told the truth by many of his subordinates,” Collinson surmised.⁴¹ Hence Bass’s scientists and technologists had no choice but to proceed and instal these fermenters at Runcorn. Walker himself was not directly responsible for unwisely promoting continuous fermentation; indirectly, his managerial style proved critical, however, because cowed subordinates dared not tell him when things began to go seriously wrong. To deter Walker from retaliating when the truth inevitably emerged, Bass’s beleaguered scientists and technologists devised a face-saving strategy: they would instal Nathan Conical Fermenters alongside the Tower Fermenters at Runcorn, arguing that this system alone could brew lagers and beers with low annual sales. Continuous fermentation, though it required volume production to achieve the requisite efficiency level, was not as incompatible with lager brewing as Bass scientists liked to believe. Indeed, the technology evolved first with lager production in New Zealand, and other breweries elsewhere adopted the same approach. Moreover, only Bass scientists and technologists specifically cited lager brewing as an obstacle to implementing continuous fermentation. What ultimately thwarted its use was not lager, but the technology’s defects — it failed miserably in replicating the taste of batch-made ales as well as lagers. Long after Walker had departed as chairman in January 1976 and shortly after his death in 1978, this truth was finally admitted publicly. In that year, Bass’s trade development officer, A. D. Portno, former enthusiast of the new

40 Author’s interview with Tony Avis, July 26, 1997.

41 Undated Collinson memoranda on Jim Lloyd’s letter to Tony Avis (in author’s possession), September 24, 1998.

technology, renounced his faith: “Continuous fermentation . . . tends to create more problems than it offers solutions.”⁴²

Comparison with how Whitbread & Company approached the same issue is most instructive. W. H. “Bill” Whitbread, chairman of Whitbread & Company and a member of a distinguished brewing family, had been mentored for years by Sydney Nevile, a brewer with one of the sharpest minds in the industry.⁴³ Bill Whitbread had personally taken a hand in planning a new brewery at Luton in the mid-1960s, a vitally important role given the fact that no predominantly automated plant had been erected in Britain for three decades. He had also briefly entertained, but finally firmly rejected, introducing continuous fermentation as the brewing technology, opting instead for Nathan Conical Fermenters. Appreciating the advice of his head brewer at Luton, Bill Whitbread correctly saw that this new type of fermenter offered much greater adaptability than the rival system of continuous fermentation.⁴⁴ He expected the market to continue demanding different types of brands that conical fermenters could easily accommodate, whereas Walker anticipated — indeed fostered — a consolidation of brands facilitating the large-scale brewing for which fermenters using continuous fermentation had been specifically designed. Whitbread was vindicated by market changes. Walker, though an experienced executive with M & B from 1955, had neither served a lengthy apprenticeship in the brewing industry nor received training appropriate for running a brewery⁴⁵ and therefore lacked the expertise to choose the best technology. The analogy can be taken a step further. Though both men were forceful personalities in their companies, Whitbread governed with the backing of his directors, whereas Walker, with his intimidating, sometimes hectoring style, ruled Bass as an autocrat, unused to and unappreciative of criticism. Walker, however, was an anomaly. His personal style of leadership did not survive his departure from Bass. Subsequent chairmen worked more

42 A. D. Portno, “Continuous Fermentation in the Brewing Industry – the Future Outlook,” *European Brewery Convention Monograph 5: Fermentation and Storage Symposium*, (1978), p. 152. Yet David Maule still refused to abandon faith in continuous fermentation. In a review paper published in 1986, he characterized the system as not dead but “in a state of coma.” Provided certain changes were instituted, he thought that it “may return from its current position of exile.” D. R. Maule, “A Century of Fermenter Design,” *Journal of the Institute of Brewing*, vol. 92 (1986), pp. 137–145. I thank Dr. Raymond Anderson for information on Maule.

43 David W. Gutzke, *Pubs and Progressives: Reinventing the Public House in England, 1896–1960* (DeKalb: University of Northern Illinois Press, 2006), pp. 114–115.

44 Peter J. Shardlow, “The Choice and Use of Cylindro-Conical Fermentation Vessels,” *Technical Quarterly of the Master Brewery Association of America*, vol. 9 (1972), p. 1; *Brewers’ Guardian*, July 1969 and September 1971.

45 Having established himself as managing director and then chairman of British Molasses, he had then moved laterally to the brewing industry as chief executive of Mitchells & Butlers in 1956 (Sir Alan Walker’s obituary, *Deer’s Leap*, April 1978).

closely with the Board of Directors, and nothing on the scale of the Runcorn debacle later occurred.

VI

Walker's background as much as his managerial style seemingly vindicated another assumption embodied in the corporate culture of the 1960s of both the United States and the United Kingdom: "That talented general managers, applying modern management techniques, can effectively oversee diverse businesses in which they have no specific experience."⁴⁶ Walker, in his capacity as Bass chairman, certainly tested this widely held theory by surprisingly selecting Stone & Webster Engineering Ltd., a firm wholly inexperienced in designing breweries, as Runcorn's builder.⁴⁷ Despite numerous well-established brewery engineering firms in England and on the continent, he turned to specialists in chemical plant manufacture.⁴⁸ Responsibility for this crucial decision rested with Walker alone. "No one," Tony Avis recounted, "is quite certain how the architects and the contractors were appointed for the Runcorn venture, except that they were unknown to us and had no brewery development experience."⁴⁹

Not surprisingly, Runcorn was constructed like no other brewery. Dr. Charlie Bamforth, Runcorn's quality control manager from 1988, for instance, stated unequivocally, "it was just a lousily designed brewery." His friend, Gus Guthrie, appointed managing director at Runcorn in 1982, observed, "it was laid out on a basis more of a processed chemical plant rather than brewery." In other words, Runcorn was designed "upside down compared to an ideal brewery."⁵⁰ His criticisms about the brewery's entire design were scarcely idiosyncratic. Another Bass brewer with decades of experience, George X, knew at the time that Runcorn was an "absolute bloody disaster."⁵¹ Stone & Webster Engineering Ltd. "had not the remotest idea about beer, or the biological side of it," he avowed. Illogically, the brew house was placed "miles away" from the

46 [Editors of Fortune], "Litton Down to Earth," p. 118.

47 Without corporate records or more forthcoming members of the Board of Directors, it is impossible to know the rationale for this decision. I approached Jim Lloyd, who, instead of agreeing to an interview, responded to questions. This topic was not addressed. See note 5 above for comments on sources.

48 *Runcorn Weekly News*, March 14, 1974; Hughes to author, October 8, 2003; *Brewers' Guardian*, December 1975. The brewing industry's official guide to companies associated with the trade, the *Directory of the ABTA* [Allied Brewery Traders' Association], had no listing for Stone & Webster Engineering Ltd. before work began at Runcorn (*Directory of the ABTA*, 1942–1971).

49 Tony Avis to author, October 30, 2003.

50 *Ibid.*; author's interview with Jim Collinson, August 7–8, 1999; author's interview with Charlie Bamforth, October 24, 2003; author's interview with Gus Guthrie, December 2, 2003.

51 Author's interview with George X, July 27, 2003. Because of the topic's sensitivity, this person asked for anonymity.

fermenting block. “To walk from one end to another was an exhausting job,” he could personally testify.⁵²

Jim Collinson offered one of the most compelling critiques of Runcorn’s numerous shortcomings. On completion of the new brewery, this veteran Bass brewer made a visit and wrote a report in which he damned Runcorn as a “very badly planned operation.” Instead of the brewery and the sprawling packaging plant being placed adjacent to each other, hundreds of yards separated them, a design fault of astonishing shortsightedness. When Collinson discovered this bizarre layout, which forced the beer to travel such lengthy distances through absurdly small pipes of nine inches, he warned of 7-per-cent losses. Years later, after visiting Runcorn, George X substantiated this prediction: “The losses of wort and beer were horrendous Every time they wanted to shut down for hygiene and sterilizing, enormous amounts of beer had to be recycled.” The production director, who, like Walker and his Board, was not a brewer, reassured Collinson that Runcorn’s design would actually cut losses. “It didn’t work that way,” Collinson observed later. “Nothing worked that way at Runcorn.” He considered the official explanation as “absolutely bloody nonsense” and cited production figures as his vindication. Covering 14 acres and thus the largest such facility in the United Kingdom, the packaging building also boggled his imagination. Never before had warehouse personnel been forced to resort to bicycles as an inescapable part of their duties. When Collinson queried the logic of building on this colossal scale, a personnel manager confidently disclosed: “Don’t you realize if there is a strike, we will have all this supply ready for distribution.” Unimpressed, Collinson noted that, since the TGWU controlled nearly all facets of Runcorn, a strike at the brewery would inevitably encompass the packaging building.⁵³

Given the widespread aversion to the layout, why did Walker not reconsider, or at least modify, his plans? There are three explanations. First, Walker’s leadership style did not tolerate dissent, much less opposition. His was a control based on intimidation, bullying, ridicule, and fear. “Of course, the layout of the Runcorn Brewery was farcical,” agreed Tony Avis, Bass’s estate director. “We all knew this as we saw it going up; heaven help anyone who pointed it out though — [it would have been] like saying the Queen was not wearing any clothes.” When Collinson questioned the need for a huge storage facility in his official report, the corporate leadership responded bluntly: “shut up or get out. If you

52 *Ibid.*; author’s interview with Charlie Bamforth, October 24, 2003.

53 Author’s interview with Jim Collinson, August 7–8, 1999; *Brewers’ Guardian*, December 1975; author’s interview with George X, July 27, 2003.

don't agree with it, bugger off.”⁵⁴ Secondly, Walker unwisely disassociated himself from the practical problems of running the brewery and seldom ventured forth into the provinces. He moved company headquarters from Burton to London, where Walker established his base at Grosvenor Gardens, surrounded by a group of young executives who mimicked the dress and attitudes, while displaying all the shortcomings, of those in the City's leading financial institutions. “He lived in a dream world remote from the cares of Runcorn,” Avis explained. Finally, Walker, more vulnerable to attack had he publicized grandiose, ambitious plans that subsequently miscarried, adopted an excessively conspiratorial demeanour toward the whole project. At the secret meeting of executives where he first announced his proposal, all documents that Walker distributed were collected again. “In the provinces the regional brewery companies were neither consulted nor involved in any way — Runcorn was a project private to Grosvenor Gardens.” In itself, this obsessive pre-occupation with secrecy testified to Walker's success in establishing his autocratic rule throughout the whole group.⁵⁵

It would be difficult to exaggerate Runcorn's defective layout as a factor in the brewery's ultimate demise. An inexpertly designed brew house played an important role in establishing Runcorn as a brewery where “the beer was not a good match for the rest of the group” — in other words, the Runcorn version was discernibly different and less palatable than its namesake brewed elsewhere. *Carling Black Label*, the main beer brewed at the brewery from the mid-1980s, was the quintessential example, its texture unforgettably grainy and invariably off-putting. Considerable technical expertise eventually produced a much improved product toward the end of the decade, but the brewery's reputation for producing inferior beers persisted. Because carbonation had not been placed downstream, it was difficult to attain the specified goal of 80 per cent “Right First Time” for the appropriate gas mixture, as Charlie Bamforth recorded for the late 1980s. In fact, the brewery was out of specification 80 per cent of the time, forcing the use of CO₂ to purify the tanks of oxygen, a step that sometimes caused foaming beer with clarity problems leading in turn to costly refiltration. In the end,

54 Tony Avis to author, September 21, 2003; author's interview with Tony Avis, July 26, 1997; author's interview with Jim Collinson, August 7–8, 1999; *Brewers' Guardian*, December 1975.

55 Tony Avis to author, September 21 and October 30, 2003; Avis, *Brewing Industry*, p. 107. Walker's fixation with secrecy also extended to Hawkins's official history of the company. Initially, Walker had supported a project that others had championed, saying that the study should portray the Bass history “warts and all.” But this commitment soon vanished, as a rigorous vetting procedure eliminated material deemed unsuitable. Even this extensively edited version was judged by Walker to be insufficiently complimentary, inducing him to have the book, already printed, withdrawn entirely from circulation (author's interview with Tony Avis, July 26, 1997).

Bamforth admitted, “it was just easier to leave the brewery” than vainly to pursue an unreachable goal.⁵⁶

Nothing better accounts for the brewery’s short, tumultuous history than Walker’s astonishing blunder in employing Stone & Webster as Runcorn’s contractors. Virtually everything else wrong with Runcorn — from a strike-prone, cantankerous work force to slipshod work habits — was subject to correction with appropriate human intervention, except the brewery’s fundamental layout. Once the technology became improperly deployed in the building itself — human error encased in concrete, steel, and glass — nothing presented itself as a viable alternative.

VII

Runcorn suffered from other debilitating problems. A grossly overstated belief in the persuasive powers of managers led to mismanagement of the work force. Labour relations, which from the beginning became adversarial and confrontational, were not easily conducted in the northwest at the best of times during these years, but union leaders ought not to be demonized as the primary cause of labour strife and inefficiencies. Management contributed materially to forming the acrimonious work culture at Runcorn.

Runcorn’s ultimate success required a disciplined, efficient, and contented work force. To those who expressed misgivings about mastering Merseyside labourers, Walker’s proponents offered comfortable reassurances: “We will pay the best personnel people that we can buy, and they will sort them out.” Overseas training supposedly imbued personnel managers with almost invincible persuasive power over workers. “They know how to handle labour” became the stock response to lower-level executives, uneasy about the Liverpoolians’ recalcitrant reputation.⁵⁷ Walker’s strategy for establishing a stable partnership with labour unions — offering generous, costly concessions — also horribly backfired. Secretly he agreed not only to recognize the Transport and General Workers Union, the most influential union on Merseyside, as the main collective bargaining agency,⁵⁸ but to startling levels of overmanning. According to Tony Avis, “the estimated staffing level figures had been about one hundred and fifty,” but Walker, keen for union support, agreed to hire well over 1,100 at

56 Author’s interview with Charlie Bamforth, October 24, 2003; author’s interview with Gus Guthrie, December 2, 2003.

57 Author’s interview with Rodney Hughes, July 27, 2002; author’s interview with Gus Guthrie, December 2, 2003.

58 Walker was not conceding anything that the TGWU had not achieved before. One year after the TGWU organized workers at Ansell’s Brewery in 1959, the Board of Directors agreed to a closed shop for all hourly paid workers. David Waddington, *Trouble Brewing: A Social Psychological Analysis of the Ansell’s Brewery Dispute* (Aldershot: Avebury, 1987), p. 34.

Runcorn.⁵⁹ “I know exactly what they were all doing,” commented Charlie Bamforth. “Most of them were not working.” Walker’s concessions scarcely ended with condoning overmanning. In a speech before Bass Regional Managing Directors and TGWU officials, Walker prophesied that the new brewery would have an output unrivalled in Europe and distribute its products nationally using railways and then locally by tankers.⁶⁰ Jack Jones, powerful leader of the TGWU, congratulated Walker after the speech: “You’re going to be the first brewery company in the United Kingdom to have £5000 a year tanker drivers.” Walker was rightly abashed, for Jones’s forecast soon proved embarrassingly true, foreshadowing the pay concessions that the union would extract from Bass in the following years. As male wage earners nationally received on average £3,700 and Bass production directors no more than £4,500, this salary ranked as an enormous coup for the TGWU. From Walker, Runcorn workers also received unprecedented fringe benefits within Bass Charrington. The problem originated not with union leadership, but with Bass management, which, in again mishandling labour, encouraged union leaders to exploit the brewery’s weakened negotiating position. Essentially, Walker’s misguided policy of trying to buy cooperation with ample concessions made Runcorn’s managers hostages to fortune. “There were things that had been written down and agreed to which were very, very difficult to actually pull back from,” disclosed Charlie Bamforth. Union officials “would throw that at the management team, whomever they were, and make it virtually impossible to manage [the workers].”⁶¹

Runcorn quickly became a byword for having the worst labour relations throughout the Bass organization, a reputation justly earned and repeatedly upheld during its turbulent history.⁶² Again, Bass management was in part the culprit, but national politics also weakened its position. The return of the Labour Party to power in 1974 considerably emboldened labour unions in their dealings with management. In

59 *News North*, June 1986; *Brewer*, November 1988; Tony Avis to R. G. Wilson (copy in author’s possession), September 8, 1994; Tony Avis to author, September 21, 2003; *Runcorn Weekly News*, May 9, 1991. Guthrie estimated that the brewery needed between 400 and 500 workers. Whitbread’s Samlesbury brewery in the north produced 1.7 million barrels of beer annually with a work force of 460 (author’s interview with Gus Guthrie, December 2, 2003; Redman, *Samlesbury Brewery*, pp. 9, 12).

60 Breweries distributed beer in lorries with huge stainless steel containers called tankers. Author’s interview with Charlie Bamforth, October 24, 2003; Tony Avis to author, October 23, 2003.

61 Author’s interview with Jim Collinson, August 7–8, 1999; Tony Avis to R. G. Wilson (copy in author’s possession), September 8, 1994; Avis, *Brewing Industry*, p. 108; Tony Avis to author, October 23, 2003; Lloyd, *Great Inflation*; author’s interview with Charlie Bamforth, October 24, 2003.

62 See, for example, *Runcorn Weekly News*, May 9, 1991. No one whom I interviewed who had worked at Bass while Runcorn operated had forgotten its dreaded reputation for inefficiency, industrial strife, and production of indifferent beers.

inadequately screening applicants, Bass hired some labour militants, the most notorious undoubtedly being John McDonough, a strident TGWU member who became perpetually “a thorn in the flesh” to Runcorn’s management. Sensing the brewery’s compromised negotiating authority, TGWU leaders, for example, rejected a £5.91 offer as “ludicrous,” despite its acceptance by Bass workers elsewhere, and held a two-week strike in October 1974 that upset production literally within months of the brewery’s opening. Such dislocation meant that the brewery’s technical staff spent vast amounts of time, not on technical matters as Guthrie and others prescribed, but on labour relations. Actually, management problems should have consumed about 12 of every 60 minutes, whereas at Runcorn they demanded 57 minutes of every hour. “It was a total hassle every day trying to get things organized,” Guthrie explained. Within the larger Bass Charrington organization, Runcorn was becoming “a dreaded, dreaded word. It was absolutely frightening,” recalled Gordon Robson, a regional executive.⁶³

With unions now seemingly ascendant, Bass next decided to accept the logic of the Labour government’s Social Contract with union leaders and emulate the “beer and sandwiches at Number 10” philosophy. Adopting its own parallel conciliatory approach, Bass transferred its plant director at the Burton Brewery, Arthur Seddon, to Runcorn. As plant director at Burton from 1967, Seddon had been closely involved in trying to overcome the technological problems posed by continuous fermentation. To those who knew him best, he was charismatic, with a voice and physical presence that caught one’s immediate attention.⁶⁴ His was certainly a unique approach, as colleague Rodney Hughes recalled:

He had the Unions in, and just refused to discuss anything with them. He said, “Right, pints all ’round. ’Nother round of pints.” He had them just all drunk as newts, and told them to go home. He tried this several times, and convinced them all that he was the biggest drinker in the world. For a while, it all seemed to work. He said, “If there’s anything to talk about, just tell personnel.” He was forever taking them out on drinking trips.⁶⁵

Less intoxicating recreation included the building of a club house and a cricket pitch, on which Bass — redolent of Walker’s tactics — spent lavishly. Convinced that the absence of tradition contributed materially to poor labour relations, Collinson installed a gigantic ship’s horn atop the

63 Author’s interview with Gordon Robson, August 5, 1999; *Runcorn Weekly News*, October 17 and 24, 1974; author’s interview with Gus Guthrie, December 2, 2003.

64 Author’s interview with Rodney Hughes, August 13, 2003; Eric Batstone, *The Reform of Workplace Industrial Relations: Theory, Myth and Evidence* (Oxford: Clarendon Press, 1988), p. 184.

65 Author’s interview with Rodney Hughes, August 13, 2003.

boiler house. Each noon this hooter could be heard from as far as five miles away. These novel methods did seem to win support from workers, but old habits proved harder to break, especially in the case of TGWU leaders, who “were to his face very abusive about him.” In 1977 four strikes hit Runcorn, with the two longest ones halting production for well over two months and costing Bass £200,000. An exasperated Jack Leachman, Runcorn’s director of operations, complained that “the Trade no longer feels that it can rely on us to supply the goods.” The result, he pointedly noted, was calamitous: “Customers are turning to other Brewers as a protection against the unreliable supply from Runcorn.”⁶⁶ Seddon’s efforts were not entirely unavailing. His personal intervention late in 1979 prevented a strike when two shop stewards, enraged at Bass for dissuading barmaids from keeping customer tips, threatened industrial action unless the brewery let bar staff retain gratuities. In the same year, under Seddon’s direction, Runcorn set an impressive record of 2 million barrels brewed a year.⁶⁷ In transferring Seddon to another post in September 1982, Bass acknowledged that his unconventional approach to managing labour had miscarried.

Runcorn’s recovery unfortunately coincided with sharp changes in beer consumption, which slumped by 11 per cent between 1979 and 1985. Over-capacity now became the dominant force shaping the domestic market, with breweries soon producing roughly 70 per cent of their possible output. British breweries could expect no help from abroad, as the downturn affected most western European countries, except the predominately wine-drinking countries of Italy and Spain. Globalization in fact exacerbated Runcorn’s role as a big producer of beer. British beer imports more than doubled during the 1980s, and, though this still represented not quite 10 per cent of total consumption, even this modest competition amid a declining market and the industry’s over-capacity heightened pressure to make Runcorn more efficient.⁶⁸

Staggering levels of overmanning — a legacy of the Walker regime — together with plummeting national beer consumption gave Bass powerful incentives for utilizing plants with low unit costs. Such changes in the beer market rendered outmoded high-volume producers of a single brand, the original rationale for Runcorn.⁶⁹ Because of enormous investment in

66 *Ibid.*; *Runcorn Brewery Newsletter*, December 1977; author’s interview with Charlie Bamforth, October 24, 2003.

67 *Runcorn Guardian*, November 22, 1979; *Brewer*, November 1988.

68 Millns, “The British Brewing Industry,” pp. 154–155; Gourvish, “European Brewing,” pp. 84–85; Richard Wilson, “The British Brewing Industry Since 1750,” in Lesley Richmond and Alison Turton, eds., *The Brewing Industry: A Guide to Historical Records* (Manchester: Manchester University Press, 1990), pp. 19–20.

69 Coors Museum, *Runcorn Newsletter*, June 7, 1982; author’s interview with Rodney Hughes, August 13, 2003.

modern technology running to millions of pounds almost on an ongoing annual basis, “Runcorn ought to have the lowest production costs per barrel of any Bass Brewery, yet at present did not,” repeatedly complained Derek Palmar, Walker’s successor as Bass chairman, early in the 1980s. Throughout the Bass group, Runcorn had acquired an appalling but well-deserved reputation for producing expensive beer. Unable to achieve diverse production goals but with costs “substantially over budget,” Runcorn was, in short, economically uncompetitive.⁷⁰ Less than a decade after building “Europe’s largest brewery,” Bass therefore entertained closing its £26 million facility.

To save Runcorn, Bass now adopted radical measures. Through voluntary redundancy and early retirement, Runcorn’s work force was nearly halved, falling from 1,100 to 600. This greatly reduced but did not completely eliminate inefficiency. Gone, too, was Runcorn’s projected status as one of the two breweries for the entire group. High distribution costs — predicted by Collinson, Avis, and others — doomed Walker’s strategy, forcing Bass to purchase a brewery further south at Alton (Hampshire) to bring the producer and consumer closer together. Under a massive reorganization scheme in 1982, Bass divided the 12 surviving breweries into four geographic divisions, with those at Runcorn, Sheffield, and Tadcaster now part of Bass North West. Runcorn continued to brew, can, and bottle beer, but predominantly for the northern region.⁷¹ Its regional focus meant a strict production quota. Intended to brew 3.6 million barrels and setting an unsurpassed record of 2 million barrels in 1979, Runcorn now was allotted just 1.3 million barrels.⁷²

To spearhead a campaign for greater efficiency, Gus Guthrie, a tough, shrewd, meticulous, no-nonsense Scotsman, supplanted the avuncular Arthur Seddon as managing director. Reflecting the new stiffer outlook of Margaret Thatcher, who vowed to tame the unions on her election as Conservative Prime Minister in 1979, he had an entirely different approach to dealing with industrial unrest: “You’re not going on strike or threaten to strike unless you’ve gone through every possible channel.” Dubbed

70 *Runcorn Newsletter*, August 24, 1981; May 31, July 26, and September 20, 1982; September 26, 1983.

Peter Comline argues these problems arose from the need to run Runcorn at a capacity far below that for which it had been built, whereas Gus Guthrie and Charlie Bamforth feel the brewery’s difficulties were not simply economic, but stemmed from technological, cultural, and social factors (author’s interviews with Gus Guthrie, December 2, 2003; Charlie Bamforth, October 24, 2003; Peter Comline, November 29, 2003).

71 *Runcorn Newsletter*, April 19, 1982; Watts, “Understanding Plant Closures,” p. 325. Just 20% of Runcorn’s canned and bottled beers were sold outside the northern region (*Runcorn Newsletter*, May 31, 1982).

72 *Runcorn Newsletter*, April 26, 1982. Ironically, the fact that Runcorn never brewed its projected potential proved fortunate when high-volume production of several beers had to be abandoned for batch fermentation, in which diverse beers with small production runs became the norm in the industry (Cockerill, “Economies of Scale,” pp. 292, 297).

“macho management” and soon widely publicized as an innovative strategy to labour relations in Thatcher’s Britain, this more aggressive stance displayed management’s greater willingness to challenge unions with two avowed goals: promote change in the workplace, and diminish trade union power.⁷³ Even before Seddon left, Guthrie enunciated his “Survival Plan” in April 1982, demanding “traumatic changes” in workers’ attitudes through “Operation Turn Around.”⁷⁴ Bottling on line 2 drew his ire for its prolonged downtime in which workers stretched a budgeted 114 minutes into 320 minutes on a ten-hour shift: under TGWU direction, workers spent more time recovering from the shift than actually working on it. So wasteful was this process that Bass had extra bottling commitments that Runcorn simply had no way of fulfilling. Even worse, Seddon had approved £800,000 for engineering repairs on line 2. Guthrie took an uncompromising stance: “There will be no more capital expenditure [on line 2] before efficiencies are increased significantly.” Seddon’s conciliatory methods were discarded for a more interventionist policy of daily and nightly inspections. Guthrie boldly delivered an ultimatum. Unless line 2 achieved an increase of 50 per cent in efficiency within three weeks, he vowed to have prodigal workers’ “guts for garters,” to post daily downtime per shift, and to discourage additional volume. Chastening workers, he asserted, “Runcorn has been top of the goal scoring table for years. The trouble is it has been our *own* goals.” By mid-October workers had met Guthrie’s stated goals, and, as promised, he accepted extra work. By Christmas, Guthrie felt confident enough to declare that Runcorn’s crisis had been successfully overcome. He would be wrong. “The fact that Gus, who was a fairly strong individual and very much focused on the bottom line ... [and] costs, ... couldn’t turn it around, really perhaps says it all,” concluded his close friend and admirer, Charlie Bamforth. Guthrie himself would come to see Runcorn in an entirely different light. He attributed his own failure to institute effective reforms partly to “Spanish practices,” in which workers invoked custom and habit as justification for inefficient procedures. “To try to get anything to change was a real major hassle,” he recollected. Another insuperable impediment to reform was the overt animosity between the craft unions and the TGWU, a problem unknown in North America. In some ways, the rival unions disliked, distrusted, even despised each other as much as they did management. Though Guthrie had observed Canadian and American packaging practices, he could never duplicate their level of efficiency. Compared with the North American standard of 70 to 80 per cent, Runcorn never approached

73 Batstone, *Reform of Industrial Relations*, pp. 190–192; author’s interview with Rodney Hughes, August 13, 2003.

74 *Runcorn Newsletter*, April 5, 1982 and May 9, 1983.

even 50 per cent. When a problem arose, workers, owing to demarcation disputes between the unions, lacked their North American counterparts' "sense of urgency to do something about it."⁷⁵

In the drive to attain economic competitiveness, one casualty was beer quality. Again, faulty technology played a pivotal role. Following the disaster of *Brew Ten*, Bass selected *Stones' Bitter*, revered in Yorkshire "as more of a religion than a beer," as replacement for a handful of popular northern regional brews.⁷⁶ Originally it was brewed at Stones' Sheffield Brewery; later, as volume grew, at the Hope & Anchor Brewery, also in Sheffield, and finally at the Tadcaster Tower Brewery. As volume expanded, *Stones' Bitter* was transferred to Runcorn in 1980. Initially all went well, but soon sales of the Runcorn version levelled off, and then disturbingly slumped. "That's when we started getting never-ending complaints from people [that the beer] wasn't what it used to be," Rodney Hughes recollected. "People used to say that the only way you [could] get a decent pint of *Stones* was to go to Yorkshire," where the Sheffield Brewery continued producing it. Customers cordially disliked the ill effects of drinking this Runcorn-produced beer. "They started to say it gave you a dreadful headache, and [that] no one can drink the stuff." Investigating these criticisms himself, a nauseated Rodney Hughes concurred. His inquiry provoked a defensive response from Robin Manners, then Bass production director. "Let me tell you because of your complaints that I went out deliberately last night to do an experiment. I drank eight pints [of the Runcorn brewed *Stones' Bitter*], and I felt as right as rain." Despite Manners's personal endorsement, sales of the Runcorn version plummeted to such an extent that Bass had no choice but to return production of the beer to Tadcaster, which then brewed for all of Lancashire. "Surprise, surprise, the volume went up again," Hughes related. Only much later did he learn that Runcorn brewers had discarded specifications and brewed at higher temperatures as a method of accelerating the fermenting process, a decision that certainly reduced costs but gave new, unforgettable meaning to "Runcorn brewed beers."⁷⁷

Stones' Bitter was not the only beer that Runcorn brewed badly. *Cornbrook Bitter* had a parallel development, first brewed at Sheffield before being moved to Runcorn in September 1982. Two hundred pubs

75 *Runcorn Newsletter*, September 20, October 18, and December 20, 1982; author's interview with Charlie Bamforth, October 24, 2003; author's interview with Gus Guthrie, December 2, 2003.

76 *Stones' Bitter* survived not because of its regional popularity, as the official company historian would have it, but because of the unexpectedly hostile consumer reaction to *Brew Ten* (Hawkins, "A History of Bass Charrington," p. 211).

77 *Runcorn Newsletter*, January 1980; author's interviews with Rodney Hughes, July 27, 2002 and August 13, 2003. The newsletter projected a public image of Runcorn as a successful producer of *Stones' Bitter* (*Runcorn Newsletter*, April 6 and October 26, 1981; May 10, 1982; and January 31, 1983).

and clubs consumed the beer for a year before they, too, dismissed it as undrinkable. Likewise, the *Worthington E* brewed at Runcorn bore little resemblance to its namesake produced at Burton. Runcorn's version of the popular brew "tasted absolutely dreadful," Hughes remembered. "Because no one would drink the stuff," he noted, "they had to take the production back to Burton." Part of the problem derived from Walker's acceptance of the new assumption about technology in the industry: any beer could be brewed anywhere in the country without affecting taste. "That's a banker saying that rather than a brewer," Guthrie would later observe.⁷⁸

Throughout the rest of the 1980s Runcorn confronted perpetual crises. Seemingly insoluble problems with inefficient, expensive, and unreliable production led to recurring "Survival Plans" — five more were implemented. Neither the highest wages nor the best fringe benefits in the Bass Charrington group ensured that Runcorn workers ranked pre-eminent for efficiency. In fact, Tennent Caledonian Breweries produced a barrel of beer well over £5 cheaper than did Runcorn early in the 1980s.⁷⁹ Chronic overfilling of 16-ounce cans by three millilitres, for example, cost Bass nearly £100,000 annually. In an attack on this waste caused primarily by human error, Bass spent thousands of pounds improving the canning process, only to find the overfill grow to six millilitres and the losses to nearly £200,000. This new problem was aggravated by an old one. Runcorn's work force, though much smaller early in the 1980s, still suffered from serious overstaffing. Of the approximately 600 brewery workers who still survived after 1982, Bass needed to cut at least one-half and perhaps as many as two-thirds to reach a targeted 55 per cent increase in efficiency.⁸⁰

Like much of British industry, however, Bass managers discovered that the Thatcher government's tougher union legislation proved far less effective in reducing union power than anticipated. There was, one scholar concluded, "no transformation of the pattern of workplace industrial relations" early in the 1980s.⁸¹ At the root of Runcorn's problem were erratic output and, as Guthrie put it, "the unreliability of the work force." Two lengthy strikes — one lasting two weeks by craftsmen in 1983 and another more debilitating one disrupting production for six weeks in 1985 — had a devastating impact. The latter strike occurred immediately following Thatcher's much-vaunted anti-union legislation,

78 *Runcorn Newsletter*, September 13 and October 25, 1982; October 17, 1983; author's interview with Rodney Hughes, July 27, 2002; author's interview with Gus Guthrie, December 2, 2003; Tony Avis to author, November 21, 2003; Gourvish and Wilson, *The British Brewing Industry*, pp. 556–557.

79 *Runcorn Newsletter*, September 26, 1983 and January 30, 1984.

80 *Runcorn Newsletter*, April 18, and 25, 1983; January 30, 1984; author's interview with Charlie Bamforth, October 24, 2003.

81 Batstone, *Reform of Industrial Relations*, pp. 180, 183–184, 214.

the 1984 *Trades Union Act*. Erratic production, lost orders, and transfer of *Export Barbican* to another brewery cost Runcorn £3 million during the first strike. “Runcorn has a bad reputation throughout the Bass group — formerly on costs — now on continuity of supply,” confessed the brewery’s newsletter in one of its most critical commentaries. “The disputes,” it added, “have reduced confidence in Runcorn to an all-time low.” So unpredictable was production that Runcorn could not fill all the bottled beer orders, inducing some of Bass’s regional companies to do business with other group breweries and Charrington & Co. to turn rather humiliatingly to a rival brewery for supplies.⁸² Within Bass Charrington, the power of the unions, especially the TGWU, antagonized field executives such as Jeffery Huckerby, who disliked the short-changing on his beer orders: it “was always ten shorter because of the union.” More damaging to the brewery’s image as a dependable supplier was the prolonged 1985 strike.⁸³

By the late 1980s, many of the troubling technological obstacles arising from Runcorn’s “appalling” design flaws had been surmounted, and beers of more reliable taste and quality were being produced. Bass dispatched some of the most accomplished, self-reliant individuals in the group to the brewery, so that it boasted of having one of the most talented managerial teams in the company. Hence the brewing of *Stones’ Bitter* returned to Runcorn, and *Carling Black Label* became “a better match” for the rest of the Bass group.⁸⁴ Technical expertise, however, addressed just one side of the brewing equation.

Thatcher’s hard-line approach to unions was no more successful in substantially lessening their power than Bass management was in altering the adversarial culture with union leaders. Bass, characteristically, looked to cosmetic changes as a solution. Runcorn became re-christened as the Preston Brook Brewery; the spirit of Runcorn as “the nothing goes right brewery” was not so easily exorcised. Charlie Bamforth, appointed quality control manager late in 1988, accompanied Mike Myers, managing director of the brewery since January, for the first time to one of the management team’s meetings with union officials. Once five minutes of pleasantries elapsed, discussions acquired the distinctive Merseyside tone: “The language was absolutely appalling,” Bamforth recalled. “The Union conveners were firing the most vitriolic abuse at the management team, and I was just watching them take it. Myers was a very phlegmatic,

82 *Runcorn Newsletter*, February 14, April 18, and September 26, 1983; Batstone, *Reform of Industrial Relations*, p. 181; author’s interview with Gus Guthrie, December 2, 2003.

83 Author’s interview with Jeffery Huckerby, July 24, 2000; *Runcorn Newsletter*, September 23, 1985 and November 22, 1990.

84 Author’s interview with Charlie Bamforth, October 24, 2003. By 1987 Preston Brook also improved its keg beers, with its customers returning the lowest proportion in the group. Total beer production, another indicator of progress, rose to 1.5 million barrels annually in 1987 (*Runcorn Newsletter*, August 3, 1987 and December 21, 1988).

laid-back individual, . . . and nothing fazed him.” Eventually, Myers praised Bamforth and head brewer Neil Talbot for greatly improving the quality of *Carling Black Label*, compared with the same beer brewed at other Bass breweries. “We don’t even know who Charlie Bamforth is. We don’t care about him. It’s you, you bastard, you’re the one,” unimpressed union officials ferociously declared. “I could have fallen off the chair,” said an astonished Bamforth. For well over two hours, union leaders reviled Bass management, often in obscenely offensive vocabulary. Management treated this enmity as further evidence of intractable union leaders who almost single-handedly rendered technological changes at the brewery highly difficult, even impossible. “There was no way they were really going to allow the new management structure to put in the new systems of operations,” Guthrie insisted. “They were not going to [allow us to] succeed.”⁸⁵

Unions may have demonstrated a troubling propensity to disrupt production over the course of Runcorn’s history, but much of the blame for dismal labour relations in fact derived from Bass mismanagement. Union leaders at Runcorn, such as John McDonough, in part reacted so violently to Myers because he had no prior experience in the brewing industry. The arrival of such an outsider convinced McDonough that “Myers was brought here to do the dirty work.” According to McDonough, this appointment simply exemplified a recurring pattern in which Bass foisted unqualified supervisors on Runcorn workers. How could labour leaders respect Bass executives whose work experience came solely from a Scottish pet food factory or engineering? “They have never been involved in industrial relations before,” complained McDonough. Despite management’s attempt to portray Runcorn unions as an anachronism that perpetuated labour relations of the turbulent 1960s and early 1970s, the labour force had acted reasonably in the years 1985 to 1991, with only one work stoppage for 24 hours compared with four in the pre-1985 era.⁸⁶ For their part, union representatives pointed to Bass as the cause of rancorous relations between labour and management. “There is a general anti-union feeling throughout the company,” contended Terry Austin, shop steward for the TGWU Midland branch.⁸⁷

Instead of a conciliatory approach, Bass adopted a confrontational policy, insisting the work force be cut from 450 to 250. In 1990 Bass had introduced a new scheme in which the remaining workers were elevated to staff status based on a team concept and sent to various

85 Author’s interview with Charlie Bamforth, October 24, 2003; author’s interview with Gus Guthrie, December 2, 2003.

86 *Runcorn Weekly News*, May 9 and 16, 1991.

87 *Morning Advertiser*, May 10, 1991.

company-organized courses as a rehabilitative tactic. This failed, too, because Bass insisted on selecting those designated for redundancy (as a method of punishing troublemakers), whereas the unions demanded the plan be purely voluntary. When a vote was called on the issue, workers, at the behest of their union leaders and in their own self-interest, rejected Bass's final survival plan.⁸⁸

Because Bass could find no successful working arrangement with the unions, pernicious labour relations ultimately doomed the brewery. Just before closure in May 1991, Preston Brook ranked dead last in the group based on the cost of producing a barrel of beer, with almost £3 separating the brewery from its nearest rival. As a last-ditch effort to save Preston Brook, Bass installed new labour-saving technology, a robotics keg line, designed to cut one-quarter of the work force. Like so many reforms, this one improved neither the brewery's efficiency nor its reliability. In their defence, union leaders, wary of relying on an unproven new system, had sought to continue using the keg line as a backup in case the new technology faltered. Bass flatly declined. Because of the erratic performance of the robotics keg line, it never managed one entire week of uninterrupted work over a period of months. Union authorities grasped the catastrophic consequences: "We have been unable to reduce our costs, ... [and] have given production away to other [Bass] sites because of the fault of the robot keg lines."⁸⁹ Labour and management ultimately clashed violently over further redundancies as a prelude to achieving the elusive competitiveness.

Denied union approval to cut the work force by over 40 per cent, Bass closed Preston Brook in August 1991.⁹⁰ Ironically, the logic for building Runcorn had now come full circle: Walker and other Board executives had pointed to potential labour unrest at Burton crippling production as one powerful incentive for a new brewery. In transferring production of *Carling Black Label* — then the country's best selling lager — partly to Burton, where some £50 million had been invested recently, Bass had been forced to acknowledge, at least implicitly, the flawed analysis of Alan Walker, the individual who almost single-handedly had concocted the Runcorn plan.⁹¹

VIII

Runcorn's overall significance transcended its own history. As Europe's biggest brewery, Runcorn had to be fully worthy of what Walker called

88 Rodney Hughes to author, November 29, 2003.

89 *Runcorn World*, May 10, 1991; *Runcorn Weekly News*, May 16, 1991; *News North*, June 1986.

90 *Runcorn Weekly News*, April 11, 1991; *Brewer*, May 1991.

91 *Financial Times*, May 3, 1991.

“the largest of all brewing empires in Europe.”⁹² For this reason, he had the brewery built on an unparalleled scale, with novel brewing technology, to produce one of the first regional keg bitters, *Brew Ten*, distributed by rail throughout the north. As a mega-brewery responsible for half or more of Bass Charrington’s total production, Runcorn assumed, in Walker’s eyes, a role hitherto unimaginable in any of the other five national brewery groups in Britain, which had been emerging from the mid-1950s. No word of this fantastic scheme ever appeared in the Runcorn newsletter, much less in the press. In an attempt to reinvent the past after this plan miscarried, both official histories downplayed Runcorn’s brewing capacity and thus helped conceal Walker’s original broader expansionist programme.⁹³ By the time Walker died in 1978, his grandiose plan had failed across a wide spectrum: Runcorn never reached its predicted production level; the innovative and expensive brewing technology had been jettisoned as unworkable; *Brew Ten* proved to be undrinkable and in its brief history never was brewed at Runcorn; beers never travelled by rail to London; group production was never consolidated at two sites; and the projected regional distribution of single-keg beer never materialized. What survived was a brewery with horrendous, expensive, demoralizing problems that dogged corporate leaders and Runcorn’s managerial staff. Walker himself escaped censure by leaving Bass and becoming a director of other companies; Bass employees were less fortunate. In his defence, it should be noted that, although Walker had gambled on securing good industrial relations, the outcome went more damagingly wrong than he or anyone else could have reasonably expected. There was, too, no way of anticipating that beer consumption, which had risen for well over a decade, would decline from 1979 and not soon recover, nor that this trend would apparently become more pronounced with the contraction of industrial base in the north, Runcorn’s chief distribution area, than in the south.⁹⁴

IX

To what extent was this fiasco at Runcorn, later Preston Brook, unique in the late-twentieth-century brewing industry? Within Bass Charrington, Runcorn’s labour unrest was anomalous, with Bass breweries even in the industrial north, such as at Sheffield or Tadcaster, quiescent.⁹⁵ But Runcorn was not alone in having acrimonious labour relations, nor in being closed. In the midlands, Ansells’ brewery at Aston (Birmingham), rebuilt in 1957, found its brewery workers, unionized by the TGWU,

⁹² Hawkins, “A History of Bass Charrington,” p. v.

⁹³ *Ibid.*, p. 209; Owen, “*The Greatest Brewery in the World*,” p. 188.

⁹⁴ Watts, “Understanding Plant Closures,” p. 319.

⁹⁵ Tony Avis to author, November 1, 2003.

fractious in the 1960s and 1970s. Overmanning, high wages, and low productivity equally plagued this new facility. Rejecting a four-day work week as a viable economy measure in 1981, Ansells' workers instead walked out, fostering the longest, most polarizing labour dispute in the industry's history. Denied adequate union concessions, Ansells shut its brewery five months after the strike commenced. Whitbread's new Luton brewery had a similar history. Opened in 1969, it had a smaller work force of 300 organized by the TGWU, which spearheaded a bitter, six-week strike over pay, leading Whitbread to close the Luton plant in 1984. Amicable labour relations — and surplus capacity — at Whitbread's eight other breweries made Luton expendable.⁹⁶

In the 1980s, when over one-third of the industry's plant stock was reduced, Runcorn fit uneasily into the scholarly model that points to the nature of labour relations, the relationship between distribution costs and economies of scale, transportation costs, and distribution costs as the most compelling factors in brewery closures. Labour relations loomed large in Preston Brook's demise, but it was less specific strike action or disruption than a lengthy history of inept management that shaped a culture of confrontation causing mistrust, friction, and enduring hostility. The brewery was created to exploit economies of scale to reduce manufacturing costs, but the ultra-modern plant ranked dead last as the least efficient in the group. In this sense, Preston Brook was anomalous. Finally, the model does not consider how technology embodied in plant design caused insuperable problems to achieving greater efficiency. Preston Brook was thus both modern and unconventional, huge but inefficient, and troubled with labour discontent and maladroit management.⁹⁷

Several additional factors made Runcorn unique in the annals of the brewing industry. First, Walker imagined Runcorn on a stupendous scale, capable of brewing nearly half of the production of the country's largest brewing group and designed to distribute the beer nationally by rail and tanker. Nothing like this had been undertaken before on such a scale. Some gigantic breweries in the United States brewed 8 million barrels annually, but the dismal failure of Runcorn, projected to brew not quite half this amount, together with slumping beer consumption and the continuing importance of batch fermentation, deterred other breweries from following suit. Not only Bass but other breweries reappraised their thinking about "big is better" and, amid new market conditions favouring smaller production of many brands, embraced a previously discredited strategy. As Terence Gourvish remarks, "multi-plant operations facilitated the brewing of different beer types for regional markets." This view had

96 Waddington, *Trouble Brewing*, pp. 1–2, 35–37, 39, 42–53, 66; *Runcorn Newsletter*, June 11, 1984.

97 Watts, "Understanding Plant Closures," p. 319.

been anathema to Walker.⁹⁸ Secondly, notwithstanding credible forewarning from Guinness executives and strong reservations from Bass's own regional executives, Walker deliberately selected a site notorious for discordant labour relations in the centre of power of the TGWU, one of Britain's biggest and most pugnacious unions. Thirdly, Walker envisaged a brewery as impressive in technology as in size and so permitted, unwisely, the introduction of continuous fermentation, a still experimental and commercially unproven brewing method. In this, as in so many other ways, Runcorn was a dinosaur, the last major brewery where an unconventional brewing approach produced, even when "successful," a product that consumers reviled. Fourthly, Ansells' Birmingham brewery and Whitbread's Luton brewery closed primarily because of deteriorating labour conditions, whereas Bass's Runcorn Brewery never wholly overcame serious design flaws that caused higher costs, lower productivity, and less efficiency than other breweries in the group.

There is, moreover, one final sense in which Runcorn had no peers. Its projected unrivalled size, as well as its survival into the 1980s at a time when trade union power remained largely undiminished, meant that Runcorn had a far greater long-term impact on Bass Charrington than either the Birmingham or Luton breweries had on Allied Breweries or Whitbread's, two other national brewery groups. As estates director at Bass, Tony Avis was centrally placed to record the impact of Runcorn workers on the rest of the Bass group:

They demanded and received privileges and rewards, which later spread to the rest of the group, both for manual and white collar employees. It was unbelievable how a collection of some seven hundred manual employees dominated an entire company with their attitudes and demands. On the benefit side, they extracted from B[ass] C[harrington] all kinds of concessions, like free drink allowances, share option schemes, a fully staffed and stocked on site company shop, improved pension arrangements, superb sporting and recreational facilities, shorter working hours, [and] full time union officials employed by the company to negotiate.⁹⁹

There were also drawbacks to pampering Runcorn employees: the (combative) TGWU displaced small (placid) craft unions; senior employees became dispirited when executives such as Avis from national headquarters, denied information about Runcorn's role, seemingly evaded questions; employees in the northwest became demoralized with the

⁹⁸ *Ibid.*, p. 326; Terence R. Gourvish, "Economics of Brewing, Theory and Practice: Concentration and Technological Change in the USA, UK, and West Germany Since 1946," *Business and Economic History*, vol. 23 (1994), p. 256.

⁹⁹ Avis, *The Brewing Industry*, p. 108.

pronounced secrecy demanded by Walker and the inexplicable closure of viable regional breweries, together with the demand that they foist Runcorn's perceptibly inferior beers on unhappy, dubious customers. Unions acquired a more formidable reputation: Runcorn's militancy had a contagious effect on other Bass breweries, even where the work force had been traditionally tranquil, in part because the TGWU used flying pickets from Runcorn. Such was the deleterious influence of Runcorn, Avis remembered, that "policy began to be formulated on the basis that nothing should be done which might upset the Runcorn workforce; it coloured everything." Reflecting on Runcorn's history, Avis felt, "it seemed [as if] . . . no sphere of activity was immune from the Runcorn influence."¹⁰⁰

X

Two final questions remain to be answered. First, how does one reconcile Walker's contradictory performance, on one hand, as the instigator of the company's worst disaster, with his role, on the other, as the industry's arch empire builder who created Bass Charrington, the brewing group unrivalled in size and impressive in economic performance?¹⁰¹ Walker's authoritarian leadership style perfectly fit an industry bereft of first-rate managers. "Many of the managers across the UK industry were of limited vision and ability, more so than in more glamorous industries," where the best and the brightest typically sought career mobility, observed Dr. Raymond Anderson, a biochemist and former director of research and development at Carlsberg-Tetley. At least at Bass, then, under Walker's autocratic reign, truly mediocre people were not encouraged to demonstrate their mediocrity. Walker's dictatorial style, moreover, centralized decision-making, a policy that, though not fostering a training ground for future executives, gave consistency to the company's business operations. Elsewhere in the brewing industry, companies oscillated between centralized and devolved management, with different breweries within a brewing group at times competing more strongly against each other than against competitors, the real opposition. H. Alan Walker made Bass consistent, and this in Anderson's view produced a "big, boring and successful" company.¹⁰²

100 Tony Avis to author, November 21, 2003; Avis, *The Brewing Industry*, p. 108; Tony Avis to R. G. Wilson (copy in author's possession), September 8, 1994; Tony Avis to author, October 23, 2003.

101 This at least was his public image. Whatever may be said on his behalf as an empire builder, Walker deserved no reputation as an outstanding head of Britain's biggest brewery. Compared with other breweries in the inflationary 1970s when ranked on share performance, Bass grew by 135%, well below both the escalating cost-of-living (234%) and higher beer prices (236%). At the top were independent regional breweries with share increases exceeding 300%, Joseph Holt Ltd. leading them all with 595% (*Morning Advertiser*, December 20, 1979).

102 Dr. Raymond Anderson to author, November 28, 2003; Ray Anderson, "Bass," in Blocker *et al.*, eds., *Alcohol and Temperance*, vol. 1, p. 91.

Walker's much-loathed, heavy-handed behaviour contributed not only to his overall success, but, paradoxically, to the company's most staggering catastrophe, the building of Runcorn and its pernicious long-term impact on Bass.

Secondly, why did Walker commit himself to a risky project of such unprecedented proportions? Recognition, power, control, and image fixated Walker's tenure as chief executive and chairman of Bass between 1961 and 1976. New to the industry were social honours conferred on chairmen of breweries that had emerged as truly national companies during the merger mania of the 1950s and 1960s. A knighthood, for instance, had been recently granted to Gerald Thorley, chairman of Allied Breweries.¹⁰³ Alan Walker was consumed by a desire for elevation into the social elite, even at the expense of company profit, common sense, and ultimately his own reputation. Walker's ambitious quest for social distinction contradicted his professed earlier precepts as corporate leader. As Bass's most recent official historian related, Walker as chairman of Mitchells & Butlers between 1956 and 1961 "had molded the Birmingham company into a highly efficient organisation by introducing radical policies whereby the inherited weaknesses of over-staffing, low productivity and wastage had been largely eliminated."¹⁰⁴ Strangely, the same goals that he evidently had pursued so relentlessly as M & B chairman were antithetical to those that, as Bass's chairman, he later implicitly sanctioned at Runcorn. His authoritarian power emboldening him to launch a bid for a knighthood, Walker embraced a scheme to locate a brewery creating over a thousand jobs in a northwestern industrial region where helping to alleviate high unemployment would earn him the government's gratitude. Walker resigned as Bass chairman in January 1976, just one year after an appreciative Labour government knighted him. Within months, his successor, Derek Palmar, promptly sacked large numbers of executives widely regarded as staunch Walker supporters.¹⁰⁵

Soon the entire brewery plant was dismantled and sold, with some of it shipped to Romania; Bass even disposed of the empty brewing site.¹⁰⁶ Nothing remained to remind the company of a scheme so grandiose but so calamitous that its true nature was expunged from Bass's official histories.

103 His predecessor, Edward Thompson, had received a knighthood in 1967. I am grateful to Dr. Raymond Anderson for this point.

104 Owen, "*The Greatest Brewery in the World*," p. 182.

105 *What's Brewing*, March 1976.

106 Tony Avis, Bass estate director, purchased the freehold reversion of the Runcorn brewing site from a financially hard-pressed Runcorn Development Corporation, enabling Bass to sell its white elephant and turn a nice profit on the exchange (Tony Avis to author, December 2, 2003).