

## **This Week** Nationalising Pubs

Surely nationalising pubs is a crazy idea? It's been done before, writes Phil Mellows

# The people's pubs

OF COURSE, it'll never happen. So there's no harm in speculating. What if they nationalised pubs?

You will, of course, have to suspend your disbelief for a minute. So here are three factors that might help you do that.

Firstly, the crisis in the industry. Not only are we losing pubs at an alarming rate but the tied system under which most pubs operate is (for the umpteenth time) coming under intense scrutiny.

Suppose the government abolishes the tie? Or abolishes it for the major pubcos? Do you think Enterprise Inns would still be interested in owning pubs? Punch Taverns is already offloading outlets with some urgency. Regional brewers and smaller multiples are cherry-picking only the best. What will happen to the rest of these giant estates? Not many tenants will be able to buy their pub. Might the

government feel obliged to step in and save a national institution and the jobs that go with it?

Secondly, they nationalised the banks. And you wouldn't have predicted that a year ago.

Thirdly, they've done it before.

It was called the Carlisle Experiment. In 1916 the government acquired five breweries and 363 pubs over 300 square miles either side of the English-Scots border around Solway Firth, where a huge munitions factory was being built.

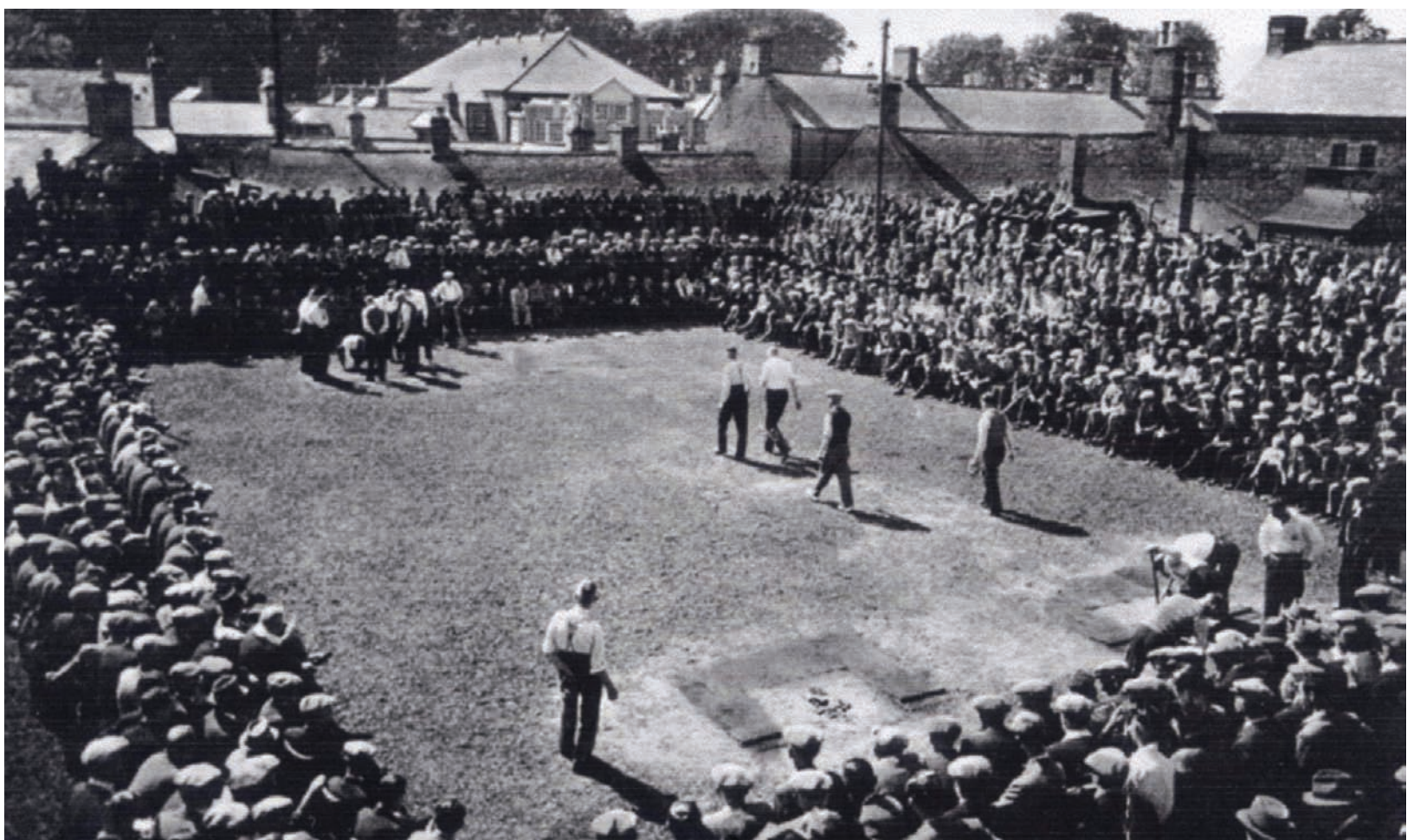
It was part of a wartime measure in which other pubs were nationalised in handfuls elsewhere in the country. But the 'experiment' in Carlisle continued right up until 1971, when the pubs were eventually reprivated by Edward Heath. So it must have been a fairly successful experiment, even in peacetime.

In fact, after the war the government's Central

Control Board (Liquor Traffic) recommended total nationalisation of the industry. One of the staunchest advocates of state ownership was Board member William Waters Butler. That's Butler as in Mitchells & Butlers. Even brewers were in favour of nationalisation.

Three different committees looked into it. The cost of the state taking over all brewers in England and Wales and their tied houses, which accounted for 90 per cent of pubs at that time, was estimated at £350m, a lot of money in those pre-credit crunch days. But the Carlisle pubs were making a healthy profit, bringing the public purse a 17 per cent return on capital.

After much debate, the government decided the Carlisle pubs would remain under state control but rejected full nationalisation in favour of continuing



Gracies Banking in Annan, a new-build pub operated by the Central Control Board, incorporated a restaurant, beer hall, cinema, confectionery shop, bowling green, quiting pitch and putting green

Nationalising Pubs **This Week**

The Golden Lion In Carlisle before and after it was nationalised. On pubs operated by the government's Central Board of Control, external drinks advertising was banned

many of the licensing restrictions introduced by the Defence of the Realm Act, some of which we have only recently shaken off.

But while we tend to think of the First World War measures as having a long-term negative impact on the licensed trade, the interesting thing about the Carlisle Experiment is that it was rather pioneering and modern in its approach to running pubs.

It inspired the 'improved pub' movement between the wars, driven by Butler and his fellow brewer on the Central Control Board Sydney Neville of Whitbread, and there remain similarities with what some of the best operators try to do today.

Nationalised pubs offered clean, comfortable and safe environments. There was an emphasis on food, and healthy food at that. There was table service. Women and families were welcomed. Entertainment was laid on. One even had a cinema. Staff were well trained in what we now call social responsibility.

External drinks advertising was banned, which could make the the pubs look austere. But there were new designs, too, which survive as fine examples of pub architecture.

It's true that 40 per cent of licences in the area (including all grocer's licences) were deemed 'redundant' and closed by the Board. But it was not simple butchery. There was rational planning. Where there was need, existing pubs were developed and expanded and new pubs were opened.

A group of trade unionists on a fact-finding tour in 1919 were mostly impressed.

"In the reconstructed public houses in the Carlisle area we saw what licensed premises might become," they reported.

"It's true that in some of them there was a tendency to 'high art' in the scheme of decoration and the pictures on the walls... and we found that many customers looked with little favour on the simple austerity which marked many of the public houses. Yet we were impressed by the evident attempts which have been made to convert the public houses into places which possess a certain dignity and beauty."

Dignity and beauty? It'll never happen again. Will it?

### The Carlisle experiment

The building of the world's largest explosives

factory at Gretna had a massive impact on Carlisle, the closest sizeable town, as its population of 52,000 was expanded by the arrival of 15,000 builders and munitions workers.

With nothing better to do in the evening, the newcomers filled the pubs. There were two problems with this from Lloyd George's government's point of view – disorder on the streets and a workforce whose efficiency was hampered by hangovers, threatening the war effort.

So the urgent goal of the state takeover was, in the words of Henry Carter, writing in 1919, "to repress intemperance, promote sobriety, restore public order and advance social well-being". This was to be achieved by removing the licensee's incentive to sell alcohol and by introducing various restrictions such as Sunday closing, spiritless Saturdays and a ban on chasers.

This was not to be confused with a temperance

'Nationalised pubs offered clean, comfortable and safe environments. There was an emphasis on food. Women and families were welcomed. One even had a cinema.'

measure, though. It was strictly economic. In fact the temperance movement opposed the state dirtying its hands in drink and found its support withered away after the war as tougher licensing laws and improved pubs, pioneered in Carlisle, showed what good pubs could be like.

The brewing, wholesale and pub trades were taken into public ownership in four bites. Each pub was valued individually, the owner fully compensated and the tenant paid for fixtures and fittings and the 'value of tenant-right' as well as being

offered the job of manager if the pub was to continue trading. Most accepted.

Licensees were paid a fixed salary plus 75 per cent of the GP on food and a cut from other 'non-intoxicants'. Although they were now managers working for the state, it appears they continued to run the pub, within the new rules, as if it were their own.

"With isolated exceptions the old licensees were jealous of the reputations of their houses," writes Carter. "The forecast that managers having nothing at stake besides a salary would be careless in conducting their business has proved altogether fallacious."

Area managers, known as general managers, ran the nationalised estate on a day-to-day basis, reporting to a Local Advisory Committee once a month.

Many backstreet boozers were closed down, but the Central Control Board also improved remaining pubs to enable them to provide food and other alternatives to drink, and it created completely new pubs on an ideal model.

A post office in Carlisle was converted into the Gretna Tavern (now the Gilded Lily) in July 1916. It comprised a bar and a separate 180-cover restaurant in the former sorting office. Food sales accounted for 66 per cent of the total.

The Pheasant Inn was reconstructed to provide a cookshop alongside the pub where munitions workers could buy 'fetched food' – in other words, a takeaway. The Irish Gate and the Goliath had similar cookshops, while the Citadel opened an upstairs cafe.

Outside Carlisle the Board closed both pubs in Rockcliffe and converted the village institute into the Mounsey Arms, a pub with a piano, billiard table and library. The Globe Inn at Longtown was rebuilt and got a bowling green, billiards and a 'refreshment room'.

The most ambitious scheme was Gracie's Banking in Annan, a new-build incorporating a restaurant, beer hall, cinema, confectionery shop, bowling green, quiting pitch and putting green. The restaurant remains – plus a supermarket and a car park.

While nationalisation may not be the answer, the history of this period can teach the pub industry a lot – central control does not necessarily crush entrepreneurial spirit or success in business. ■