Of all the technological innovations of the industrial revolution, the railway had the most transformative effect on the Canadian brewing industry. With its relative speed and power, the railroad had the ability to overcome the seasonal difficulties of muddy roads and ice-packed waterways, and thus it was far superior to traditional modes of transportation - i.e. wagons, stage-coaches and boats - at getting products to market. As the eminent Harvard University business historian, Alfred Chandler, has stated, the railroad ‘permitted a regularity and a certainty in travel and in the movement of goods that had never existed before.’

In Canada, with the advent of the railway it was finally possible to conquer the harsh winter and to keep trade and commerce moving all year long. In essence, climatic conditions were conquered, as were distance, time and all the obstacles that geography put in the way of transportation by land. In his 1849 treatise The Philosophy of Railroads the engineer-cum-railroad promoter Thomas Keefer confidently stated that,

... it is now universally admitted, that distances are virtually shortened in the precise ratio in which the times occupied in passing over them is diminished. SPEED, ECONOMY, REGULARITY, SAFETY AND CONVENIENCE - an array of advantages unequalled - are combined in the railway system.

Profoundly aware of this, business and political leaders became obsessed with railway technology. As a result, between 1852 and 1859 over 1,400 miles of railway were built in Upper Canada alone. By 1860, the railway system was capitalized at about $100 million and all the major urban centres in the province were bound together with a ribbon of shining steel.

Brewers quickly recognized the blessings of railroad transportation, especially after the introduction in the 1870s of the refrigerated boxcars that kept beer cold and fresh. But even before the advent of refrigeration, the brewers were among the first manufacturers in British North America to utilize the new mode of transportation in order to get their products to market. Aboard a railway, beer was less likely to spill, spoil or go stale. A greater amount of beer could be transported safely and conveniently and thus at a lower cost to producers and consumers. The railway broke down the old ‘tariff of bad road’ that protected artisanal brewers in small, local markets and laid the groundwork for the concentration of industrial production in a handful of metropolitan centres.

By extending the range of cheap overland transportation and by permitting the continuous flow of raw materials into and finished goods out of manufacturing establishments, the coming of the railway created the conditions necessary for the rise of mass-production methods in the making of beer. As the most enterprising brewers found new consumers for their products, they expanded their plants to meet the new-found demand. As a result, the Canadian brewing industry shifted into a vigorous new era of industrialization and regionalization, as a relatively small group of brewers came to dominate the central Canadian market. Ultimately the railway turned a handful of local brewers into nationally known names.

The question was, which brewers would be the first to seize the opportunities of the new age of steam, steel...
and rail? Who would benefit the most from the significant improvements in transportation? Which brewer would be the quickest to formulate a new business strategy and structure to capitalize on the technological changes, and meet the challenges of the new economic order? In short, who would come out on top in the Victorian world of Canadian brewing?

I

John K. Labatt was one of the first to recognize that transportation was a key to industrial growth and the continued success of his nascent brewery. As a boy walking to school in Mountmellick he had witnessed the positive effects of the canals on the development of industry in his Irish hometown. The connection between speedy and reliable transportation and steady economic development was further cemented in his mind during his time in London, England (1830-1833). On 15 September 1830, the world’s first train steamed down the tracks from Liverpool to Manchester. The next day the groundbreaking news was heard all over Britain. Labatt was thus present at the birth of the ‘railway mania’ that would grip the English-speaking world for the next 50 years.

Even before the arrival of the railroad to his corner of the new world, Labatt had demonstrated his belief in the benefits to be derived from the expansion of transportation networks. As the area to the north of London became settled, Labatt conceived of ways to penetrate this emerging market. He was helped in 1849 by the passage of colonial legislation that permitted private companies to build toll roads. As a result, he and a number of other leading London businessmen, including Thomas Carling, formed the ‘Proof Line Road Joint Stock Company’ to grade, macadamize and bridge a road linking London and the northern hinterlands. When it was complete, the road had three tollgates and followed the Richmond Street route north through Arva, Birr, and Elginfield. Several inns and taverns opened along the road, where travelers consumed Labatt’s beer. The investment in the Proof Line Road was significant for two reasons. First, it demonstrated Labatt’s willingness to team up with his local competitors - in this case Thomas Carling - to promote the interests of the London brewing community. Second, it manifested his understanding that efficient and dependable modes of transportation were necessary in order to expand his business operations beyond the boundaries of London-Middlesex County.

In part, what was motivating Labatt to look to the horizon for new business opportunities was the fact that, in 1853, the ‘golden age’ of the military’s stay in London came to an end. The military had loyally served Labatt. The troops stationed in London were eager to hand over their pay packets to Labatt in order to quench their thirst with quality English-styled ales and stouts. But with the outbreak of the Crimean War all of the regular troops were pulled out of London and sent to serve with Her Majesty’s Imperial Forces in the Crimea. Thus during the period 1853-1860 not a single regular British Regiment was located in London. With the loss of these consumers close to home, Labatt aggressively sought out new markets.

Few in London, therefore, would have been surprised in 1853 to learn that Labatt was once again seeking to bring a new communications route to the city of hops and barley. But this time the route would utilize the new technologies. What Labatt had in mind was an iron road connecting London and Port Stanley on the north shore of Lake Erie. As London’s nearest port and one of the finest harbours on the great lake, Port Stanley had strategic value for men like Labatt who were looking to find export markets for their products. By horse-drawn wagon it took a full day to transport goods the 25 miles from London to Port Stanley. By rail, it would take less than two hours. Thus on 23 May 1853, the London and Port Stanley Railroad was incorporated with a capital stock of £150,000 and John K. Labatt, a long time advocate of steam, steel and rail, was one of its 28 stockholders.

Over the next five years, Londoners witnessed a whirlwind of activity. Even before the construction of the northern line to Port Stanley got underway, Londoners welcomed the arrival of the Great Western Railway from the east. Once the appropriate business structure had been put in place, it would be possible for Labatt to sell his beer in the largest central Canadian cities - i.e. Ottawa, Kingston, Hamilton, Toronto, and Montreal. As Labatt himself stated, ‘... for the local man of business, a great opportunity has been presented [in the form of the railway].’ The potential for men like Labatt was enormous. At a time when London’s population was
approaching 11,000, the population of Kingston was almost 14,000, Ottawa’s population was closing in on 15,000, Hamilton’s population was nearing 20,000, and the population of Toronto was fast approaching 45,000.\textsuperscript{10} The railway had changed these cities. Toronto, for instance, was transformed by the railroad from a commercial port town into a thriving regional hub of economic activity.\textsuperscript{11} So transformative was the change that in 1853 the editors of the Toronto Globe proclaimed: ‘We question whether there is a town in the world which has advanced more rapidly than Toronto.’\textsuperscript{12} The Globe’s boosterism notwithstanding, Montreal was still the largest Canadian city, and it would remain so into the twentieth century. As early as 1865, Labatt was already thinking about how he might take on the competition in Montreal. But initially, at least, his focus was on those markets a bit closer to home.

Of course, Labatt would face competition - some of it stiff - in the villages, towns and cities across central Canada. According to the historical geographer James Gilmour, by the 1870s every municipality with a population over 4,000 had at least one brewery.\textsuperscript{13} Bigger cities, like Hamilton and Toronto, had many more and some of the breweries were substantially larger than that owned by John Kinder Labatt.\textsuperscript{14} The biggest of Ontario’s breweries was the Toronto Brewing and Malting Company. The colossal brewery on Simcoe Street was capable of manufacturing 1,450,000 gallons (58,320 barrels) during the eight-month brewing session, leading one contemporary observer to state that those ‘who like a drop of good beer need not be afraid that it cannot be supplied fast enough to keep their whistles wet, or, at all events, damp.’\textsuperscript{15} There were other breweries that, while not yet as big as the Toronto Brewing and Malting Company, were owned and controlled by men as ambitious and aggressive as any in the business of brewing, including John K. Labatt. The Victoria Brewery, at the corner of Victoria and Gould Streets, was one such establishment. Having purchased the brick 1,000-barrel-a-year brewery in 1861, Eugene O’Keefe increased production rapidly thereafter. A former junior accountant at the Toronto Savings Bank, O’Keefe had an aptitude for numbers and he calculated that brewing was an industry with an almost unlimited capacity for expansion.\textsuperscript{16} He thus set about increasing production at his plant. Within seven years output had increased seven fold to 7,000 barrels a year.\textsuperscript{17} The expansion at the plant continued into the 1870s and 1880s, with further additions being made in 1872 and 1882. As a result, in 1883, O’Keefe’s brewery manufactured 285,086 gallons (11,403 barrels) of ale.\textsuperscript{18}

Thus Labatt knew if he was to compete with the likes of O’Keefe, then he too would have to increase the capacity of his plant. But to do so would be fatal if markets weren’t first found. With the arrival of the railroad he now had the means to reliably reach distant markets. The question was how would he distribute and market his product once it was there?

II

In January 1854, the Great Western Railway was pushed west from London to Windsor. Eager to be the first London brewer to exploit the markets to the west, Labatt immediately made a number of experimental shipments over the infant line. So pleased was Labatt with the results, that on 1 October 1856, regular shipments of his ales and stouts were inaugurated. When the Great Western Railway between London and Sarnia opened in late December 1858, Labatt again quickly took advantage. On the first train, the London Free Press reported, there was ‘a large quantity of freight ... among which was 30 barrels of beer, and 50 dozen of ale, from the celebrated brewery of Mr. Labatt, of this city.’\textsuperscript{19} By 1858, four railways were at the London Brewery’s door, giving Labatt unprecedented potential to expand into new geographical markets.

Getting the beer to a distant market, however, was only the first step in Labatt’s new strategy of stretching his operations geographically. In order to penetrate outlying markets, Labatt understood that he would have to modernize his business structure. He would need people to promote and sell his products in far-away places, and hopefully with the same dedication and passion that he had exhibited when selling them in and round London.

At first, Labatt contracted small-scale merchants who were already in business (e.g. grocers and liquor dealers) to sell his products. This was the standard business practice in the mid-nineteenth century, and without any experience to prove the custom wanting, Labatt’s initial impulse was to be conservative and follow suit. These independent merchants sold Labatt’s ales and stouts along with a variety of other goods. No special treat-
ment was thus given to Labatt’s beer. At a time before the advent of modern advertising techniques, Labatt had to rely on the quality of his product and the subsequent word-of-mouth of his customers. The independent merchants had no incentive to promote Labatt’s product over that of another competing manufacturer.

It did not take long therefore for Labatt to become critical of this conventional system of beer distribution. He wanted a sales force with more devotion to the sale of his beer. As a result, beginning in the 1860s, Labatt hired specialized agents, who were knowledgeable about his products and dedicated exclusively to promoting his brands. This system was being used effectively in Britain. For their services, Labatt paid his agents a basic salary plus a percentage commission on sales to encourage productivity. The new distribution system worked well. By the end of the 1870s, he had set up agencies in Ingersoll, Woodstock, Galt, Brantford, St. Thomas, Strathroy, Watford, Forest, Thedford, Petrolia, Sarnia, Glencoe, Newbury, Bothwell, Chatham, Collingwood, Windsor, Lucan, Ailsa Craig, Parkhill, St. Marys, Orangeville, Peterborough, Cobourg, Trenton, Picton, Brockville, Stratford, Exeter, Seaforth, Clinton, and Goderich. Every location was important in the battle to dominate the regional beer market.

Setting up and maintaining an agency network, however, was the least capital-intensive task associated with gaining a regional reach. Expanding into new geographic markets required a good deal of money. Tying up money in barrels, bottles and brands shipped to sales agents was tremendously expensive and thus beyond the financial means of small operators. Compounding matters of capital strength, agency beer had to compete with the price of beer that was locally manufactured. For example, in Toronto, tipplers could buy locally-made beer as well as beer made in Montreal, Lachine, Port Hope, Hamilton, Guelph, Waterloo, Brantford, Owen Sound, Walkerville, and London. It was a similar case in the larger towns and cities across the region. As a result, only those brewers who had achieved an optimum economy of scale could produce a product efficiently enough so that, after transportation costs were added, they could still compete in terms of price with beer manufactured and distributed in the targeted market.

For those brewers, like Labatt, who could afford to supply a string of agencies, the benefits over time were multiple. By shipping beer to regional agencies, Labatt was able to increase his sales, thus giving him access to greater capital. The capital was then used to finance plant improvements, thus boosting his production efficiencies even further. Having recently added a second malthouse to the existing brewery, in 1863 Labatt embarked on his most ambitious renovation yet: a five-storey brick-towered brewhouse to replace the old stone brewery built two decades earlier. On 1 August 1863, John Labatt wrote to his wife, who was visiting her family in England, with an update on the brewery’s expansion:

We continue to get on very satisfactorily with our new addition to the brewery. I think it will look very well, to say nothing about its advantages and usefulness, etc. I fear it will take longer to finish than I first expected. However, I am not at all fidgety or alarmed about it. If I should be spared a few years longer with God’s blessing and help, I hope to see everything made right with all my creditors, who after all, are not very numerous nor are the amounts very or fearfully large. With the proper attention to business I can see my way clear through it all, and be able to have a nice, valuable property for you and your dear children. Everything I do about the premises is done well and substantial, and with ordinary care can be kept in good order for many, many years with very little expenditure.

When the additions were done, the Labatt brewery was one of largest in the region. In 1865 the London Prototype described the completed brewery in glowing terms.

The London Brewery is now a big pile of brick, solidly and compactly built. It is five stories high, and comprises two malt houses, and the same number of kilns, four stock cellars, and a bottling cellar. In one of the stock cellars are six large vats, capable of holding 200 bushels each, and in which are stored pale brown stout. An extensive engine-house and woodshed, a cooper and carpenter shop adjoin the brewery [along with] office houses and other apartments necessary for such an establishment ...

The ultimate result was that Labatt was able to make his beer even more price-competitive. The gap between large and small brewers thus widened and many small local brewers broke under the strain of increased com-
petition from larger firms with a regional reach. Between 1862 and 1892, 60 small locally oriented brewers were forced to close their doors. By using the railway to ship his products to agents in distant regional markets, Labatt helped initiate a sharp turn towards market integration and essentially set the course for the rise of large industrial breweries and the gradual decline of small locally oriented ones.

III

John Kinder Labatt never witnessed the full effect of his business strategy. On 26 October 1866, he died of a heart attack, the result of a condition that had afflicted him for some years. The obituary that appeared in the London Free Press gave a detailed account of his struggles during his dying days and concluded by noting that: ‘Throughout his career the deceased was remarkable for his energetic, shrewd and pushing business qualities.’ The statement was fitting primarily because it was true. Labatt had come to Canada with very little. He had borrowed, in 1833, to purchase his first piece of Upper Canadian land. When he sold his farm 14 years later he did so at a substantial profit. Making money came naturally to Labatt. At the time of his death, his estate was valued at $16,000. As owner of the London Brewery he never lost money. From the time that he entered the business of brewing, he had been single-minded in his pursuit of profit, which entailed expanding the scale and scope of his business. His artistry for making ales and stouts was only eclipsed by his ability to aggressively promote his products in an increasingly competitive marketplace. Before any other brewer, he realized that growth and prosperity in the brewing industry depended upon one's ability to utilize new technologies and penetrate outlying markets. For this the London Free Press concluded that Labatt was ‘a man of business who had become known in all parts of the Province ... few obstacles appeared to him insurmountable, his motto being to overcome them all if possible.’

In his last will and testament, John Kinder Labatt sought to structure his affairs so that the brewery that he had founded would remain prosperous and, ideally, in family hands after he was gone. ‘After my decease,’ the hand-written will read, ‘I will and direct that the business I now carry on at the London Brewery shall be continued by my wife Eliza Labatt.’ According to the will, Eliza was entitled to retain the brewery, sell it, or lease it out to another brewer, if she so decided. But if Eliza chose to rent or sell the brewery, the offer must first go to their third son, John Labatt. ‘And I further will and direct that in the event of selling or renting my said brewery, preference shall be given to my son John Labatt to be purchaser or tenant.’ Only if John declined the offer would the option to rent or buy the brewery be extended to the elder two sons, Robert and Ephraim Labatt. Seemingly, John K. Labatt was of the opinion that the London Brewery could not support four owners, nor could the business survive a potential four-way quarrel over its management. Thus he had singled out Eliza and ultimately, John Jr. to run the brewery that he built. In one of his final and most significant acts, he had structured his affairs so that the brewery would end up in the hands of his most able son, his namesake, John Labatt.

In terms of his approach to business, John Labatt Jr. was his father’s son. He was pragmatic and forward-looking. He detested disloyalty and stood by his friends. He was honest, almost to a fault, and tremendously fair to his employees. But on the battlefield of commercial brewing, he gave no quarter. He was bold, quick on his feet, and never ran from the competition. In this regard therefore, he shared his father’s ‘shrewd and pushing business qualities.’ But above all, like his father, he was proud of the quality of the beer that was being produced at the London Brewery. In his opinion ‘it was the finest in the Dominion.’

Growing up in a house situated on the brewery grounds, John Labatt was constantly surrounded by beer, brewers and beer drinking. While he received a formal education, first at Caradoc Academy, which was just west of London, and then at a secondary school closer to home, he never talked about doing anything other than entering the family business. It was a shock to no one therefore when, in 1857, at the age of 19, John Labatt took up full-time employment at the London Brewery. As the third eldest son, however, it was unlikely that he would take over the London Brewery. But over the years, John Jr continued to catch his father’s eye because of his aptitude and understanding of the mystery of brewing. John Labatt was born to brew.

So impressed was John K. Labatt with his third son that in 1859 he decided to send him south of the border to
At the age of 21, John Labatt boarded a train for Wheeling. He remained there for five years, living with the Smiths and receiving an excellent education in the art and science of brewing. Like his father, he was quick to take direction from those whom he believed had something valuable to offer. As Smith's apprentice, he learned the recipe for India pale ale. The experience would influence him for the rest of his business life. In 1864, John Labatt returned to London, in part to help his ailing father and in part because the Civil War south of the border was having a disastrous effect on Smith's business. The war soured the overall commercial climate in Virginia, and military demands for grain caused the price of barley to skyrocket. To make matters worse, Smith sympathized with the rebellious south and he consequently ran into sales troubles with the generally pro-Union northwestern counties of Virginia. Sensing that life would be better elsewhere, Smith liquidated his assets in Wheeling and purchased a 6,000-barrel-a-year brewing business in the town of Prescott on the St. Lawrence River between Brockville and Cornwall. At the time, Prescott was a relatively stable agricultural community with the potential of becoming a major river port, because of its proximity to the United States.

As the climate started to settle south of the border, Smith returned home to West Virginia, arriving just in time for the 1864 fall brewing season. With no need for two breweries, he offered to lease the Prescott brewery to his one-time apprentice, John Labatt. But for unknown reasons John Labatt turned the offer down. While John was not interested, his elder two brothers were. In 1864, they purchased the Prescott Brewery from Smith and ran it in partnership until Ephraim death in 1867.

With his two elder brothers, Robert and Ephraim, attending to their new business in Prescott and his father's health failing, John Labatt, with his excellent training, was the obvious person to take over the role of brewmaster at London Brewery. In 1864, he assumed the task with youthful enthusiasm and great attention to detail. As a result, his skill as a brewmaster was soon widely recognized and celebrated. In 1865, the London Prototype reported that,

Mr. John Labatt, jr., is the brewer of the establishment [in London], and his skill and ability in the duties of his office are such that to him, in large measure, is due the high character and good name and celebrity which Labatt's ales and beer have attained throughout the Western Province.

He was quickly proving to the public that the younger generation of Labatt's were just as committed to excellence in brewing.

In the year prior to his father's death, the junior John convinced the senior one that their business would benefit from expanding the scope of the brewery's product line. More specifically, John Jr. persuaded his father that the firm would profit from manufacturing India Pale Ale, based on the formula that he had brought back with him from Wheeling. John Labatt had a sense that tastes were changing. He knew from various sources that in Victorian Britain, pale ale was increasingly becoming the beer of choice. This was reflected in the ascendancy of the Burton brewers - firms like Bass, Worthington, and Samuel Allsopp & Sons, which specialized in the production of IPA. As a consequence the Burton brewers began to challenge the supremacy of London brewers. Output at Bass, for example, increased from 130,000 barrels in 1853 to 900,000 barrels in 1876. Conversely, Truman had fallen from the 'top of the tree', with a production of 606,00 barrels in 1872 to 510,00 barrels in 1886-1887. But it wasn't just in Britain that tastes were changing.
South of the border there was a similar shift away from heavy ales and stouts, but there the move was towards lager, not pale ale. This was accounted for, in part, by the fact that the nearly all of the biggest brewers in the United States originally hailed from Germany where lager beer was popular. Men like Adolphus Busch, Frederick Pabst, Adolph Coors, Joseph Schlitz and Friedrich Eduard Johannes Müller, (i.e. Frederick Edward John Miller, as he re-branded himself in the United States), used the railroad to ship their lager beer from their bases in medium-sized U.S. cities (Milwaukee, St. Louis, Cincinnati, Golden) to markets across the nation. Thus they became known as the ‘shipping brewers’. On the demand side, as the historian Austin Kerr astutely notes, lager beer, which was stored and served at cool temperatures, ‘proved much more popular than the traditional British ales in the American market with its warm summer climate.’ But in Canada the major brewers - Labatt, O’Keefe, Sleeman, Carling, Molson, Keith, Dow and Dawes - like the majority of the customers that they served, traced their ancestral roots to Ireland, Scotland or England.

John Labatt also had a sense that his water would suit the production of IPA. The chemical composition of the water of Burton-upon-Trent was central to the success of the Burton brewers’ IPA. Burton water was infused with alkalinity and had moderately high permanent hardness. It was also known for containing sulphates. Labatt suspected that London water had some of the same qualities. As a budding brew master he had placed a high value on the quality of the water from his two wells, declaring it to be superior to the water of Toronto where brewers had to use filtering machines.

Now it is well known that the Toronto water is very bad; so much so that I never think of drinking water in Toronto unless it is boiled in the shape of a cup of tea. I either take that or Labatt's ale, but never cold water in Toronto. Our water does not require filtering ... I have had it analyzed several time and it is produced much like the Burton water.

After considerable experimentation and several trial runs, in 1867 John Labatt declared that his India pale ale was ready for the market. As manager and brewmaster of the newly-named firm of 'Labatt and Company', John Labatt made all the important strategic decisions. Like his father, he willing to take reasonable risks in order to sustain and grow his business. John Labatt was confident that the risk would generate a substantial reward.

He was correct. His India pale ale was an instant success. Almost certainly, the virtues of London water enabled him to manufacture a product that eclipsed the product that he had helped produce in Wheeling. Added to which, Labatt had read the market correctly. Beer tastes in Canada, as in Britain and the United States, were changing. Starting in the late 1860s, these dark brews began to lose significant ground to the pale and amber ales. By century’s end, pale and amber ales constituted not quite one-half of the Canadian beer market. At Labatt, India pale ale constituted the bulk of production for more than three quarters of a century, from the 1870s to the end of the Second World War. This was therefore the age of pale ale.

In absolute and relative terms, the new sales strategy adopted by Labatt led to a great leap in production. Between 1861 and 1870 production at Labatt’s brewery almost doubled from 75,000 gallons (3,000 barrels) to 150,000 gallons (6,000 barrels) of beer. The level of production at Labatt was substantially higher than at most other firms in the province. Indeed, the industry average during this period was roughly 22,000 gallons (880 barrels) of beer a year. Much of Labatt’s beer was siphoned from the large storage barrels - known as hogsheads - to fill approximately 65,000 bottles. The rest of the beer was stored and transported in the standard barrel of 25 gallons. While the standard barrels of beer sold for between six and eight dollars, the ‘quarts’ of beer sold at 15 cents a bottle. Ultimately, this translated into a gross income, in 1870, of $39,655 - the seventh highest return from a brewery posted in Ontario. Out of that sum, however, he had to pay his 15 employees wages in the amount of $4500. He also had to pay for the roughly 20,000 bushels of barley and 20,000 pounds of hops necessary to manufacture his 6,000 barrels of beer. Furthermore there was the cost of the wood needed to fuel the ten-horsepower steam engine as well as the hay and oats to feed three teams of horses. Finally, there were also basic capital costs for the buildings and equipment, together with repairs, maintenance and taxes, which included municipal taxes based up the assess value of the brewery and an excise duty of one cent per pound of malt. In total therefore his expenses in 1870 were about

John Kerr's astute observations in the Journal of the Brewery History Society (22, 1986) have been referenced throughout the passage, highlighting the significance of this era in the development of the brewing industry.
$30,000, giving him an operating profit of roughly $10,000.\textsuperscript{43}

The profit was substantial enough to stimulate talk about changing the ownership structure of the firm. The positive cash flow was now such that John Labatt could purchase Eliza Labatt's half share in the brewery and pay her a stable income every month. As a result, on 15 August 1872, after six years of partnership, and almost 25 years to the day since John Kinder Labatt entered the business of brewing with Samuel Eccles, John Labatt bought out his mother's interest in the brewery he had so efficiently managed since his father's death. The two partners agreed that the brewery had significantly appreciated in value since 1866, and was now worth, in their estimation, $87,280. Eliza Labatt agreed to lend John Labatt the money necessary to purchase her half share in the brewery, in the form of two mortgages at 8% interest per annum.\textsuperscript{44}

As the sole owner of the Labatt Brewery, John Labatt watched his sales steadily grow. During the two-year period between 1872 and 1874, he expanded into a handful of new geographic markets in central Canada, establishing agencies and watching his India pale ale become increasingly popular with the drinkers of the region. In ever-increasing numbers grog-shop merchants, tavern owners, and hotel operators relied on Labatt's ales and stouts to keep their patrons wet. It was therefore an inconvenience to all when disaster struck in the winter of 1874.

In the very early hours of 5 March 1874, two policemen saw flames reaching up into the night sky along the Thames River in London, Ontario. As they ran closer, it became clear that the fire was coming from the Labatt Brewery. It had been almost 30 years since the last fire on the site had set in motion the chain of events that would eventually lead John Kinder Labatt to enter the business of brewing.

30 fire-free years was almost unheard of in the world of Victorian brewing. Brewery fires were all too common. The structures that housed the breweries were extremely susceptible to risk from the fires that burned continuously within. The brewing process required wood-burning fires to boil water for the brew kettle and to dry the barley malt in the kiln. The kilning process required the germinated barley to be heat-dried to convert it to malt. This was a laborious procedure demanding around the clock attention from the maltsters. All too often a downdraft would fan the flame, releasing sparks that would smolder unnoticed somewhere within the timbered building. The combination of continuous sparks and seasoned lumber made these breweries virtual tinderboxes. With no form of fire protection on hand, they were accidents waiting to happen.\textsuperscript{45}

The fire at the Labatt brewery broke out in the engine house. When the alarm reached City Hall, a streamer from the local fire department was sent out within a matter of minutes. Before the pump began forcing water through the hoses, however, the fire had engulfed one of the adjoining malt houses. Though members of the fire department ‘laboured energetically and with a manly will’ their efforts were hampered by repeated bursts of the hoses due to the enormous amount of pressure. Despite their best efforts, the flames spread rapidly, enveloping in the space of a very few minutes every part of the main building. A huge 200-barrel tank of water situated in the upper storey and intended as a protection against fire, burst, and its contents fell into the seething furnace below. The fires licked up the fluid like oil, and burned with even greater fury. Though the outer walls of the brewery were constructed of brick and stone, the floors, partitions and vats were all made of dry wood, which burned as quickly and as furiously as kindling. For more than five hours the fire blazed, and when it finally burned itself out the Labatt Brewery was a heap of scorched rumble.\textsuperscript{46}

Ever the opportunist, Labatt saw this as his chance to modernize and expand his brewery. Over the next several days, he estimated his loss, which included some twenty thousand bushels of malt, the steam engine, and a quantity of mash and ale stored in one of the cellars. He also estimated the damage done to the brewery buildings. According to The Monetary Times and Trade Review the damage amounted to between $50,000 to $60,000 - far more than the $20,000 of insurance that Labatt had on the brewery.\textsuperscript{47} Despite the financial shortfall, Labatt did not hesitate before rebuilding his factory.

The new plant was substantially larger than the old. When the reconstruction was completed at the end of the summer of 1874, the brewery had a capacity of 750,000 gallons (30,000 barrels), with storage space for
85,000 bushels of malt. With his plant rebuilt and expanded, and sales steadily increasing due to his business strategy to manufacture new, superior products and shipping them to distant Canadian markets, Labatt began to think of ways of reaching an even larger public.

IV

Of all the events of the Victorian era, perhaps none was more spectacular than the first World’s Fair that was held in the United States. Conceived to commemorate the one-hundredth anniversary of American independence, the exposition took place in Philadelphia between May and November of 1876. As with all the World’s Fairs, the Centennial Exposition was designed to be a spectacle of progress. In his opening address, U.S. President Ulysses S. Grant clearly stated the official purpose of the ‘this Centennial occasion’ as being to bring together in Philadelphia, for popular inspection, specimens of our attainments in the industrial and fine arts, and in literature, science and philosophy, as well as in the great business of agriculture and of commerce.

It was a heady purpose for a gilded age.

The built environment alone was enough to amaze fair-goers. The exhibition occupied 236 acres of the most beautiful portion of West Fairmont Park. On the grounds were 250 buildings, of which the biggest were the Main Exhibition Building, Machinery Hall, Agricultural Hall, Horticultural Hall, and Memorial Hall and Art Annex. Within these buildings was an assortment of man-made items, from tasty new delights, like popcorn and soda pop, to new innovations such as the typewriter, the telephone and the electric light. There were also powerful new products like the 1,400 horse-powered Corliss engine that left more than one spectator dumbfounded.

As a symbol of the fact that this was still very much the railway age, the Pennsylvania Railroad and the Reading Railroad constructed rail tracks from downtown Philadelphia to the site of the exhibition. During the 159 days of the exhibit, 5,907,333 passengers were carried on 66,467 trains in that local commute for the one-way fare of ten-cents. In total more than almost 10 million paying guests attended the fair and more than 30,000 firms exhibited their goods at the exposition.

Companies from around the world were attracted to the exhibition by the prospect of winning prizes and drawing attention to their products. In a world that had not yet witnessed the advent of electronic media, expositions like this offered manufacturers a medium through which to situate their products, and indeed the image of themselves, in the hearts and minds of a large public audience. Cyrus McCormick, for example, had been using the apparatus of world’s fairs since the Crystal Place Exhibition of 1851 to promote his harvesting machines at home and abroad. While his reaper was associated with science and progress, industrial might, the farm family, and prosperous rural life, McCormick himself posed as a heroic figure: the celebrated inventor-manufacturer whose name was known on every continent. In the immediate aftermath of the exhibitions, he dispersed his agents to sell the reaper armed with tales of testimonials, awards and honours from the fairs. Like McCormick, the most avid competitors were those who sought greater reputations and markets for their goods. At the expositions, manufacturers entered their products in various competitions for judging, placed them in the fair’s resting and eating places, built lavish exhibits for their promotion, and passed out souvenirs; all to court the public.

Among those companies that were drawn to the exhibition by the potential of advancing their material self-interests were the breweries of the attending nations. Despite the presence of a number of temperance societies, indeed arguably because of it, the brewers proudly and extravagantly celebrated their profession and promoted their products. In the northeast corner of the exhibition grounds, beside Agricultural Hall, they erected ‘The Brewers’ Building’ at a cost of $30,000. The building was 272 feet long by 96 feet wide. Perched on the crest of the roof was a beer barrel of immense proportions that was adorned with the flags from all the brewing nations of the world. Signifying the popularity that lager had obtained in the United States, above the main entrance on the south side of the building was a statue of jolly King Gambrinus, the alleged inventor of this bottom-fermented beer. Hop vines were trained along the south side of the building. Over the eastern entrance was a large trophy surrounding a medallion on which was inscribed the statement: ‘In the
year 1863, 1,558,083 barrels of beer were brewed in the United States; in 1875, 8,743,744 barrels were produced from malt liquors, on which a tax was paid of $9,144,044. The U.S. brewers were demonstrating their economic value to the nation, and not so subtly refuting the criticisms of the prohibitionists that the brewers, along with their conspirators in the liquor traffic - i.e. the vintners and distillers of the nation - were a detriment to society.

Inside the Brewers’ Building were displays of every manner of product and implement used in the brewing trade. Perhaps the most spectacular exhibit was the ‘Centennial Brewery’, which was erected at great expense by Charles Stoll of New York. He had installed a working brewery with a capacity of producing 150 barrels of beer at one time. Opposite the brewery was a complete malt house with equipment provided by Hughes and Bergner of Philadelphia. Architectural and engineering firms displayed models of breweries and equipment. In all there were 207 exhibitors that represented firms selling raw materials, refrigerating equipment, sheet metal implements, elevator buckets, cooperage, steam pumps and engines and any other product that brewers might desire.

When Labatt arrived at the exhibition, he immediately made his way to the Brewers’ Building as he was eager to see the latest and greatest developments in the field. Having examined some of the more remarkable innovations, like Frederick Schlich’s patented automatic bottle-washing machine, he walked over to the ‘Ice House’ where all the ales, lagers and stouts were stored for the contest. He had entered his XXX stout and India pale ale in the centennial competition. Both of these brews had recently won silver medals at the Dominion of Canada Exposition. He was not, however, the only Canadian brewer to make the trip to Philadelphia. In total seven Canadian brewers entered the competition. Along with Labatt and Carling, Robert Arkell had traveled by train from London. A one-time hotelkeeper and independent maltster, Arkell had entered the business of brewing in 1872. His India pale ale, amber ale and XXX porter had taken the local market by storm, leading the London Free Press to declare that his brews were ‘all the rage’ in and around London. From Toronto came Eugene O’Keefe and the Davies brothers. In 1869, Thomas and Joseph Davies had inherited their father’s Don Brewery on the west bank of the Don River, north of Queen Street West and east of River Street, and turned it into the most productive brewery in Canada. They continued to manufacture their father’s brand of Sparkling Cream XX & XXX Ale, in both pale ale and porter varieties. Labatt had long considered the Davies clan cutthroat competitors and he knew they would be tough to beat in city of brotherly love. Joseph Waterhouse from Chatham had also ventured to Philadelphia, seeking to make his mark. And finally there was Samuel McLeod and his partner J.C. McNaughton, who owned and operated a brewery in Montreal. All of these brewers entered the highly contested competition, hoping to be singled out as the manufacturer of the world’s best ale.

When the judging was complete, all of the Canadian brewers could take a great deal of pride in being congratulated by the Centennial commission for ‘careful and intelligent brewing.’ But it was Labatt who was standing tallest. While his XXX stout beer was pronounced by the international judging panel to be ‘first-rate’, it was his India pale ale was awarded a gold medal. Few of his fellow brewers were surprised therefore when Labatt was also honoured with a certificate of excellence for his malt. As Labatt had predicted, the Davies brothers won the bronze medal for their ale. Back in Canada, word quickly spread about Labatt’s success on the world’s stage. Politicians were also taking notice. In 1877, the Commissioner of Agriculture and Arts for Ontario formally reported on what had transpired in Philadelphia to the Liberal government of Oliver Mowat. For the most part, the commissioner’s report was a list of names of the Ontario companies and
products that were exhibited in Philadelphia. Labatt’s accomplishments, however, were singled out for special attention. Under the name of John Labatt, the commissioner noted that, “a British judge pronounced Labatt’s ale equal to that of Bass.”

Winning the award confirmed what many in and around London already knew: Labatt’s beer was of a world-class quality. In addition, the award was significant because it extended the reputation of the London brewery beyond Canada’s boundaries. Labatt used the Fair to build respectability for his products and to support his sales. Labatt would capitalize on this in the period that followed, establishing agencies to sell his award-winning beer in a number of U.S. cities. At home, Labatt seized upon the advertising opportunity that the victory had given him. In a series of advertisements that appeared in the regional press, he continued to trumpet the news of his success in Philadelphia. For example, an advertisement for Labatt’s ale and stout which appeared in the *Globe* in December 1876, started with the line: ‘The Centennial Prize!’ Another advertisement in the same paper that appeared a year later stated that the ‘highest international and Canadian medals were award to John Labatt.’ By March 1877, Labatt was including images of the medals in his advertisements.

For Labatt, by 1877, bigger and more rewarding markets beckoned. In the next chapter of the company’s history, Labatt set up an agency in Montreal, determined to make his mark in Canada’s largest beer market, as well as in various cities south of the border. He also followed the transcontinental railway west, establishing a presence on the prairies and in British Columbia. In the battle to dominate the markets across the nation, however, Labatt had one asset that other brewers lacked: an award-winning India pale ale and stout. As Labatt continued to expand his sales and geographically stretch his operations, he constantly reminded consumers that he was brewing some of the world’s best beer. In so doing, as will be seen in the next chapter, he revolutionized the way advertising was done in Canada. His new and innovative ads were designed to win over the hearts, minds and hard-earned money of beer-drinking Canadians.

The problem for Labatt, and others who made their living from brewing, was that the ‘drys’ in society were mobilized and on the march. In 1878, they would record an unprecedented victory when they convinced the federal government to pass the Scott Act, thus prohibiting the sale of intoxicating beverages in certain municipalities across the country. Thus while the age of rail and pale ale continued into the 1880s and 1890s, the era was also defined by the rise of teetotalism, growing government interference and increased concentration within the industry.

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References


12. The Globe. (Toronto) 5 February 1853.


24. One Hundred Years of Brewing. (1903) Chicago and New York: H.S. Rich & Co., p.616. This circular process directly contributed to the drop in the number of breweries during the thirty years 1862 to 1892, from 182 to 122, respectively.

25. London Free Press. 29 October 1866.

26. Armstrong, F. (1976) op. cit. pp.436-7. His estate consisted of the brewery, the ground on which it was built, a large brick house located on the brewery grounds, an insurance policy for 500 pounds sterling, and ten shares in the Huron and Erie Saving and Loan Company.

27. London Free Press. 29 October 1866.


37. ibid., p.176.


40. ibid., p.68.
41. ibid.
42. One Hundred Years of Brewing. (1903) op. cit. p.618.
44. The principal amount of the first mortgage was $22,000, payable in irregular amounts over a six-year period, beginning in 1873. After making the last payment in 1879, John Labatt signed another mortgage with his mother for $21,640 payable over five years in equal annual amounts.
46. London Advertiser. 5, 6, & 7 March 1874; London Free Press. 6 March 1874.
54. ibid., pp.352-359.
57. Ingram, J.S. (1876) op. cit. pp.248-250.
59. Timperlake, J. (1877) op. cit. p.270.
62. ibid.
63. ibid., p.501.
64. The Globe. 27 November, 1876, p.2.
68. The Globe. 19 April 1877, p.3.
John Kinder Labatt (1803–26 October 1866) was an Irish-Canadian brewer and the founder of the Labatt Brewing Company. He was born in Queen's County (now County Laois), Ireland, to Valentine Knightley Chetwode Labat (1761–1813), an Irish-Huguenot, and Jane Harper Labat. Little is known of his early years.[1] Labatt immigrated to Canada in the 1830s and initially established himself as a farmer near London, Upper Canada. 

While it is research into the science of brewing and beer that pays my mortgage and puts food in the mouths of my children, my hobby is to write articles about soccer. I hope (and believe) that they help contribute to the pleasure of the fans who read them, but I hope I would never be accused of trying to tell the professionals within the game of how to do their jobs. It is the science and the technology about which I particularly wish to inform the reader, for the processes involved in the brewing of beer are as fascinating as they are, in some ways, unique. I have several audiences in mind for this book. First, and perhaps foremost, are the laypeople who want to know, in reader-friendly terms, what goes into their beer.