t seems fitting that a box set and exhibition marking the 40th birthday of a notoriously - indeed, wilfully - chaotic and fractious record label should be a cause for dispute as much as celebration. Use Hearing Protection: Factory Records 1978-1979 (the box set) and FAC 1-50/40 (the show) serve as aural and visual reminders of the innovative spirit that informed the Manchester label in the late 1970s, when the Granada TV broadcaster Tony Wilson, the designer Peter Saville and bands such as Joy Division and the Durutti Column made the city a beacon for cultural chutzpah (and anarchy).

Wilson's carefree attitude to finances coexisted with - was dictated by - an unshakable belief in the supremacy of art, creativity and flux. His and Saville's decision to give everything, from singles, albums and posters to a lawsuit, a "menstrual egg-timer" and even the coffin in which Wilson was buried in 2007, a prominent catalogue number was, Saville says, "entirely deliberate. Tony saw the irony in the reference to culture as product. It was

an ironic contextualisation.'

The label's first sampler was FAC 2. Saville had nabbed the top spot with his black-on-yellow poster for its inaugural band night, which bore the now iconic image and slogan (see right). "I went to see Tony at Granada, and he said, 'OK, we're going to do this thing called the Factory.' There was a sign in the industrial design department at my college, on a workshop door, that I could see from the refectory. So I stayed late that night and the sign came off the door. That was the basis of the first look, the first identity of Factory.'

In Stephen Morris, the drummer of Joy Division and later New Order, you sense a lingering exasperation about the chaotic nature of Factory alongside the pride he obviously feels. He is clearly ambivalent about the exhibition and the box set - which begins with the poster and ends with Joy Division's revolutionary debut album, Unknown Pleasures - and easily riled when talk turns to Wilson's skills as a businessman. "He was a catalyst," he says. "He'd put people together, then just walk off and let them get on with it. If it worked, it worked. If it didn't, something else would come along. It would be all right."

When New Order's gear was stolen on their first trip to the US, Morris wrote in his wonderful memoir, Record Play Pause, Wilson "found this hilarious, presumably in a situationist kind of way". He flinches at the memory. "He thought it was the best thing that had ever happened to us. 'It's perfect, darling!' And we were, like, 'What do you mean, it's perfect? We've just been robbed."

Part of Wilson's genius, Morris says, was that he genuinely didn't care what people thought of him. "I think he liked being hated. The people of Liverpool

The record label that gave us Joy Division is 40 years old. Drummer Stephen Morris and designer Peter Saville tell Dan Cairns how genius came from chaos





Making history From left, Peter Saville, Tony Wilson and Alan Erasmus. Right, Stephen Morris. Top, Saville's original logo

loathed him with a passion. Every time he went there, his car would get scratched. He revelled in the fact that people there thought he was a t***.'



Seeing the sleeves and artefacts mounted on a gallery wall arouses similarly mixed feelings: "It worries me a bit. If Factory had carried on, they'd have probably done something to mark this. But they wouldn't have done something so reverential to the past. Because the whole point of Factory was always to move on and do something

new. And I think some things are best left to the imagination. I mean, the egg-timer... What's that about? And why did everything have to have a number? You'd think someone who was so keen on giving things numbers would have had a good head for figures. But everything was on the back of his hand in red Pentel."

Morris's tone is a mix of affection and resignation. Saville's memories are more straightforwardly admiring, though still complicated. "It was like an early fin de siècle," he says of the 1970s. "This sense of optimism in the 'new' had collapsed. The party was over there was a distinctly morning-after feel. And then this coup d'état in youth culture took place right in the middle of my art course. Punk happened. Which fast-tracked anybody involved in creative enterprises. I remember thinking, 'This is what rock'n'roll must have been like."

Saville designed austerely beautiful, artistically groundbreaking sleeves for Joy Division, New Order, Roxy Music and Peter Gabriel, among others, and continues to be a leading figure in design, with a busy and hugely respected London practice. He remembers Factory's accidental, haphazard formation fondly.

"By virtue of being a wilful, altruistic operation from the start, there was no financial imperative. Tony [with a wellremunerated job in television] didn't need Factory to earn money. Everyone else did, though. So there was always that disconnect. But because nobody was being paid, there wasn't anyone to call the shots, so it became this freeform co-operative venture, like pals deciding to have a party. Someone's got the drink, someone's got the house, someone's got a sound system. You don't criticise each other, you just get on with it. That's exactly how Factory started."

At the private view for FAC 1-50/40, Saville, Morris and Morris's New Order bandmate (and wife) Gillian Gilbert hang back, pop and design royalty, their hair still suspiciously black, their demeanour inscrutable. On the walls, in the introductory talks, the music and art they made is lauded and honoured almost as sacred relics.

'But I listen to those records, even now," Morris had said when we met, "and think, 'This is me!' So I'm conflicted. The two sides of me, the person making the music and someone who consumes me. Well, as the first person, I don't like the idea of rehashing and marketing that. But as a music fan, I love box sets. I love squandering ridiculous sums of money on things I'll never play." Spoken like a true Factory man.

Use Hearing Protection: Factory Records 1978-1979 is out on Friday; the Use Hearing Protection: FAC 1-50/40 exhibition is at Chelsea Space, London SW1, until October 26