

## THE GLENKINCHIE STORY

the story, in the local, national and international contexts. Some periods are already reasonably well documented, others less so. The very early years of Glenkinchie certainly fall into the latter camp. What knowledge there is can be expressed as follows.

### EARLY YEARS FROM 1723

In 1723, John Cockburn of Ormiston (known as the father of Scottish husbandry) founded the iconoclastic Society of Improvers of Knowledge of Agriculture, which would propel Scotland to the top of the European agricultural tradition.<sup>1</sup> The Society introduced the turnip and the potato, and imported agricultural experts from around Europe. It is largely thanks to their endeavours that East Lothian's crop farms would earn the area its reputation as "The Garden of Scotland". Indeed, prior to the society's introduction of barley to the area, East Lothian only produced coarser and less useful grain crops. But by 1787 Burns would be calling East Lothian "*the most glorious corn country I have ever seen*", and, in 1832 the traveller William Cobbett would speak of "*Such corn fields as never were surely seen before in any country on earth*".<sup>2</sup> The local barley was often grown on land fertilised by equally local seaweed. It would ripen earlier than those grown in other areas and was a considerably lighter grain.

The Milton Distillery (also known as Millton) was opened by farmer John Rate in 1825. He farmed the adjoining lands of Milton, Lempock Wells and Peaston Bank. Like most distilleries at the time it was very much a secondary concern of the farm – a way of supplementing income, rather than an example of autonomous enterprise. The precise location of the distillery is now unknown, although it was certainly in the proximity of the existing Glenkinchie distillery.<sup>3</sup> The business became a partnership consisting of John and his brother George who was also a farmer, and it remained in operation probably until 1834. At least, there are no records of any activity for a period lasting from 1834 to some time in 1837 (the year of Queen Victoria's coronation), when the Rate Brothers are recorded as licence holders (possibly in new premises) of the Glen Kinchie distillery (also known simply as Kinchie). The distillery took its name from the burn that ran through the dell and from which it took its water. (The name Kinchie was derived from de Quincey – the name of the family

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who had owned the land in the 14th century.) James Gray (of Leechman and Gray) took over the running of the distillery in 1840. This would be the beginning of a very long family association. However, in 1852 John Rate regained control in order to close down and sell the premises, which he did the following year, selling to Mr Christie, another farmer, who converted the building into a sawmill.

### EXPANSION FROM 1880

It would remain such for almost thirty years, until, in the 1880s, it was reopened as a distillery by a consortium of wine merchants, brewers and blenders, which included R.H. Thomson, James Watt, J. Harrison and Mr Hannan of Alexander Melvin and Company, Boroughloch Brewery, Edinburgh.<sup>4</sup> The latter was the consortium leader. Much had changed in the period since 1853. A distilling concern was no longer a mere extra feature of a farm, but a fully-fledged, autonomous enterprise. This was as true then for Glenkinchie as for any other distillery, and was a reflection of the more general economic shift from agriculture to industry that characterised the Victorian era. Leith had also fully established itself as the centre of the blending industry – blending having only become popular in the early part of the 19th century – and, indeed, blends were becoming more and more popular all the time. And the bottling of Scotch was an industry changing innovation from 1860. The standard of distilling practise had also improved dramatically, mainly as a result of official intervention. Indeed, in 1880, a Spirits Act had been passed, in which strict guidelines as to what constituted proper operation of the distilling process were laid out.

Some of the legislations of the 1880 Act were: the prohibition of operation of a still until at least two hours after the conclusion of a brewing period, thus ensuring the periods of brewing and distilling were ‘alternate’ and ‘distinct’; the prohibition of wash and wort operations during the period of distilling; and the granting of a license to excise warehouses to add sweetening and colouring agents to whiskies at their own discretion.<sup>5</sup>

It was also around this time that the demand for whisky outside of Scotland began to take off. The major blenders

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(Dewars, Walkers, James Buchanan and Haigs) all opened offices in London in the 1880s. Tommy Dewar provided a pivotal moment at the Brewer's show at the Agricultural hall in London in 1885, when he famously responded to the popular use of musical boxes and barrel organs at a variety of stalls by playing the bagpipes at full tilt, thus drowning out all competition and greatly upsetting the chairman and committee members. He defied their pleas for him to stop and the ensuing press attention meant that all London knew him and his whisky.<sup>6</sup> Orders for bottled whisky soon escalated dramatically. And the increased demand for blends would at least keep the blender's demands for malts high, even if it did mean something of a marketplace marginalisation for the single malts themselves.

However, public knowledge of, and interest in, the variety of whiskies would soon be on the increase thanks to the efforts of one Alfred Barnard. In 1886 Glenkinchie's Mr Hannan would be guide to Barnard when he visited the distillery as part of the groundwork for his seminal publication, *Whisky Distilleries of the United Kingdom*. Barnard's account of his experience amounted to a glowing review. He provided a unique insight into the workings of the distillery at that time, and provided what could be considered a blueprint for the marketing of the whisky industry as a tourist attraction, something that would become very popular a century later:

“...To the left of the entrance gate is one of the large Bonded Warehouses – of which there are two, the other being situated on the right of the gate – and at the back of this extending its entire length is the Barley Loft, immediately at the foot of the hill overhanging the Distillery, in which is stored the barley to be used in the manufacture of the whisky. On the top of this hill are placed two large Hoppers, into which the barley is emptied from the carts, and runs down shoots of about 100 feet in length to the Lofts, these are fitted with an overhead railway, fastened on beams, on which the carriers – large baskets suspended on wheels – run along and carry the barley to any place required. This railway is continued to the Steeps in the Malting House, a large two-storied building separated from the Barley Loft by a wide courtyard, across, on what may be termed, a suspension bridge, having on each side a reversed inclined plane. The carriers, filled with barley in the loft, are shot

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right across the courtyard to the Steeps, where they are emptied, and returned on the reverse plane to the Loft, to be again filled, and so on. The Malting Floors are also fitted with the same overhead railways, which convey the barley – changed to malt by germination, to a large Elevator, which lifts and deposits it in the centre of a large Kiln with a wire-cloth floor, where it is properly dried, and then it is shot direct into the Malt Deposits which lie alongside on a lower level. At the end of the deposits is the Grinding Room, on the same level, and into this the grist, as the malt is now technically termed, is easily conveyed when required for grinding, previous to the smashing process.

“The Mash House is attached to the Grinding Room, and the ground malt is lifted to the Grist Hopper by elevators, worked by an engine placed in the Grinding Room, from which it falls into the large Mash Tun, just below it, where it is stirred by rakes driven by an engine specially used for this purpose. After standing the necessary time the infusion is drawn off and passed over a Refrigerator alongside, into the Underback from which it is lifted by a powerful steam-pump to the fermenting tuns in the Tun Room, where the process of fermentation goes on. When this is completed, the wash, as it is now called, is run into the Wash Charger, situated in the same room, and this supplies the Stills, of which there are two, of the kind known as Old Pot Stills, where by distillation, the wash is changed into whisky, and the process is completed; and at this point we saw what we had seen nowhere else – after the spirit is extracted from the wash, there is a very large residue known as *dreg*, which in towns is very largely used for cattle-feeding purposes but in remote districts is practically useless, and requires to be disposed of in some way; it cannot be emptied into the stream, for the riparian proprietors would object, so it is lifted by a steam-pump to a tank 500 yards from the distillery, and 70 feet above it, and used by the neighbouring farmer to irrigate his fields, and he is highly pleased with the result.<sup>7</sup>”

This practise is still evident today, albeit in a less strictly localised way – the wet draff (barley residue) is sold to farmers all around the Lothians for cattle feed, while pot ale is transferred to the local pig farmers. This is indicative of a

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desire to maintain a stable micro-economy, which has continued to be a prime concern ever since Barnard's time.

“It will be seen from our description that each part fits into the other, and that the arrangements are such that manual labour is reduced to a minimum. Every facility was afforded us to examine everything, and in addition to the perfectness (sic) of the general plan, we were much struck with the absolute cleanliness which prevailed.<sup>8</sup>”

In the same year the Wine Trade Review published an article, which trumpeted, “The future of the wine trade is whisky”. It is clear then, that the climate for the whisky industry was looking very favourable indeed (especially with the failure of the grape crop in France – which led to a cognac shortage and resulted in the need for a substitute after-dinner liquor). And the publication of Barnard's work, in 1887, would make sure whisky was securely situated on the economic map. Indeed, a four-page spread on the economic significance of the growth of the whisky trade in an 1890 edition of the Illustrated London News would confirm this.<sup>9</sup> As if in response to this increased consumer interest in Scotch, Glenkinchie would, at about this time, make moves forward in the way they operated. In a letter dated 28th March 1890, J. Harrison would sell his share of the company to Robert Harvey Thomson for the sum of £7600. The sale included all the equipment and dwelling houses ‘with the exception, of course, of whisky, barley, malt and fuel and casks’. The deal included water rights, no (or negligible) feu duty, and the option to buy the remaining whisky, barley, casks etc at a price to be negotiated through William Sanderson (rectifier) of Leith.<sup>10</sup> Shortly afterwards (on 27th June that year), Glenkinchie would become a limited liability company. The company had eight members from four Leith-based firms. Three of these were wholesale wine and spirit merchants – Leechman and Company of 14 Quality Street would provide two members in John A. Leechman and Robert Gray; James Watt would be joined in the partnership by John Watt (their business operated from 7 Quality Street); and, similarly R.H. Thomson would bring in Alfred Thomson (of 130 Constitution Street both).<sup>11</sup> The other firm involved were spirit brokers, Robertson Sanderson and Company of 11 Quality Street, (blenders of the Celebrated Mountain Dew Scotch whisky) – Arthur and Fred Sanderson would be their

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members of the board of The Glenkinchie Distillery Company Limited.<sup>12</sup> Gray, Watt and (R.H.) Thomson were the directors. The agreement between all parties was that the Sandersons would try to sell as much of the whisky as they could directly onto the market – whatever was left would be divided between the other three companies who would put it to use in their own businesses. The vast majority, therefore, ended up being used in blends. The total share capital of the company was £14,000, which consisted of 1400 shares, valued at £10 each.

The new company quickly set about restructuring the distillery, building an entirely new maltings and a worker's village in fashionable Victorian red brick, which, for the most part, still stands, well preserved, today. As well as the workers, the customs officers would live in the village. By law, all the working parts of the distillery needed to be locked and unlocked by the customs officer. For example, he would have to unlock the still for anyone to be able to put anything into it or to empty it. The officer would occupy one of the largest houses in the village.

The houses standing closest to the distillery today are the original Victorian constructions. Some of the buildings further up the hill towards Peaston Bank were built later (20th century). Glenkinchie and Peaston Bank were once quite separate villages but they look pretty much like the same place on a map nowadays. Glenkinchie still has a block that will, according to current manager, Charlie M. Smith, never be sold. The manager and two of the operators still live there, but do not own the premises they occupy. All the other remaining houses are privately owned – three of them by employees. A couple of retired employees also still live in the village. Another two houses used to stand in the space now occupied by the visitor's car park. The houses had all previously belonged to the distillery but began to be sold in the early part of the 1980s.

These were confident times (the Forth Bridge had opened in 1890 – towering over the Edinburgh scene as a symbol of progress and prosperity), and Glenkinchie, along with the whisky industry in general, moved as part of that confident surge. They were also idealistic times. The establishment of the worker's village in such idyllic surroundings displays a faith, in not only the product but in production itself, and a desire to create a satisfied and self-sufficient community. So much so that the owners followed the tradition started by the now long

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forgotten Yoker Distillery on the Clyde (founded 1770) by providing employees with a superb bowling green.

An article in the January 8th 1911 edition of the *Wine and Spirit Trade Record* entitled “A Famous Lowland Malt Distillery, Glen-Kinchie” makes mention of this and notes of Glenkinchie:

“Not only are the natural surroundings everything that could be desired and calculated to bring out the best efforts of the workers, but the distillery buildings are perfect as they could well be from the sanitary and hygiene points of view, and the desire of the management to promote the health and comfort of the employees is further evidenced by the fact that they have provided them with a well laid-out bowling green”.

Following the deaths of the Thomsons, the other members were worried that the Thomsons’ share of the company might fall into the hands of someone not in any way connected with the company. To avert this possibility the registrar of the joint stock companies signed a special resolution on the 10th of March 1897, stating that the board may have first option on the shares of a member who dies or goes bankrupt.<sup>13</sup>

## CONTRACTION DURING WORLD WAR I

This period of general expansion would continue until the years approaching the First World War. Only then did the economy enter a period of prolonged recession, and moves had to be made to consolidate the lowland whisky industry, pool resources, and tighten belts. The Glenkinchie directors began making preparations to sell shares in 1913. In a memorandum from that year the Sandersons and James Gray bind themselves to buying back first preference shares from new shareholders for the sum of £10 each, within five years of purchase, if given six months written notice – a condition which admits something of the potential unattractiveness of such shares as they were about to sell, given the general climate of recession.<sup>14</sup> The company was valued at £35,000 on 11th March 1913, and shares were put on the market the same day. By the 20th they had sold just 305 of the 3500 £10 shares, to a variety of speculators. Investors were clearly very cautious indeed.<sup>15</sup> Clearly, further action would have to be



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taken, and, within months, discussions were taking place between Glenkinchie and four other lowland distillers towards the formation of Scottish Malt Distillers Ltd. (SMD). SMD would be born on 7th July 1914, 28 days before the outbreak of the First World War. The new company was comprised of Glenkinchie; the Clydesdale Distillery Company Ltd., of Wishaw; A. and J. Dawson Ltd. (ie: Saint Magdelene's Distillery), of Linlithgow (whose initial financial difficulties had been the original impetus for the merger); the Rosebank Distillery Ltd., of Falkirk; William Young and Company (ie: the Grange Distillery), of Burntisland; and Charles Ritchie, SSC, of Edinburgh.<sup>16</sup> The new company would bring on board James Risk as a consultant. His task was to advise on production methods, his reward, 20% of the net improvement. (He would be appointed general works manager in 1915, having made an average of £1390 per annum in commissions during his first two years consultancy).<sup>17</sup> The new company's total capital was £300,000. The figure had been calculated thus – Clydesdale was valued at £65,950, Dawson at £54,380, Glenkinchie at £37,730, Rosebank at £60,000 and William Young at £81,940. The £300,000 consisted of £80,000 worth of ordinary shares and £220,000 worth of preference shares (5% cumulative). All shares were valued at £1. Glenkinchie's total shares would consist of 23,230 preference shares and 14,500 ordinary<sup>18</sup> (Glenkinchie wouldn't actually sell all of their available shares until October 1916. Between the 11th and the 30th of that month they sold 2530 ordinary shares (2030 of which were bought by an S.P. Sinclair, who was trustee to Leechman and Gray). This put them in a position to pay off their creditors in full).<sup>19</sup> The day after SMD was born, it was agreed that any assets and liabilities to be assumed by SMD would not include Glenkinchie's debtor and creditor balances (which, when the books had last been balanced on the 30th of September, 1913, had amounted to £17,419 5s 2d, and £29,327 12s 5d respectively).<sup>20</sup> This would make the ensuing liquidation a lengthy process. The company duly went into said voluntary liquidation on the 1st of August 1914. Gray would transfer his shares to the company in January 1915.<sup>21</sup>

During this period, much had been changing throughout the whisky industry, mainly due to a number of acts of legislation, some of which were designed to raise consistent standards throughout the industry as a whole, others to demonstrate a sensible response to war conditions. The Intoxicating Liquor Act of May 1914 proposed that the minimum spirits price, to



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the consumer, should be 8d per gill. The Edinburgh and Leith Wholesale Wine and Sprit Association (ELWWSA) would support this proposal wholeheartedly. The following year the Central Liquor Control Board (CLCB) was formed. They declared the minimum acceptable strength of whisky to be 32.7% alcohol. The Immature Spirits Act of that year would make it compulsory for the period of bonding to be at least two years, and the Scottish wholesale trade associations would agree a minimum price for whisky of 5s 6d per gallon under bond to the retailer, and 23s per gallon duty paid. Finally, in December 1915 a Finance Act would introduce an excess profits duty of 50%. The following year, the compulsory bonding period would be raised to three years. The CLCB would prohibit any distilling not licensed by the Ministry of Munitions. They also set a maximum limit for whisky strength of 42.9% alcohol. All grain distillers would also become obliged to cease making whisky, ordered, as they were, to make all of their spirit available for the manufacture of munitions. This ban though, did not yet extend to pot distilling, so Glenkinchie was among those who still continued to produce. The malt distillers were understandably apprehensive, however, and worried about the consistency of the many acts of legislation being passed. The CLCB were rumoured to be considering reducing the minimum strength limit to 30%, but fearing this would deal a serious blow to the trade in better class whiskies, the ELWWSA wrote them to formally protest against such a move.<sup>22</sup>

On 23rd May 1917 (only 6 weeks after the war had escalated to the extent that the United States had been forced to enter), the Whisky Association (which had been formed four years previously to represent the interests of the distilling industry) formed its own London section, thereby presenting a serious front against the real dangers presented to the industry by war and economic depression. But they were to have little serious clout for some time, as the following month a ban was placed on all pot distilling – barley being too important as a foodstuff to be squandered on such a luxury as whisky.<sup>23</sup> This ban would continue until March 1919. Ultimately, this break in production would allow Glenkinchie the breathing space to go about the business of closing the liquidation proceedings. On 6th October 1917 Lord Cullen was appointed to wind up said proceedings, only to be replaced in that position by Lord Ormidale, on the 14th of October the following year.<sup>24</sup>

1918 saw the introduction of a ban on all whisky exports, a fixing of the retail home trade price at 9s per bottle, a hike in

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income tax to 30%, and a whopping rise in duty from 14s 9d to 30s per gallon.<sup>25</sup> It also saw a bitter feud between the Clydesdale Bank and The Bank of Scotland over who was owed what by Glenkinchie. The Bank of Scotland hotly disputed a claim, which had been made the previous year by the Clydesdale Bank, for the sum of £6,589 4s 1d in unpaid bills. There is a more than tiny hint of bitterness in The Bank of Scotland's reaction to this situation. The final state of adjudications had been published on 17th April 1918 by the liquidator, William Cockburn (who had been given the job the previous May, one month after resigning from his position as manager of Glenkinchie). The total amount claimed from Glenkinchie, by various creditors, came to £33,916 4s 10d. The Clydesdale bank claim was among the £22,668 3s 4d worth of claims that were accepted by the liquidator. Among the £11,248 1s 6d worth of claims that were rejected, however, was a claim by the Bank of Scotland for £1690, which they had been pursuing since May 1916.<sup>26</sup> A letter from A.W. Robertson Durham dated 15th November 1916 puts forward the case for Glenkinchie's defence:

In the early part of the century, Glenkinchie had been successful but short of capital – so the directors (who were the only major shareholders) allowed their dividends to remain with the company (as loans to the company). Later, in search of more capital, they requested a loan from the Bank of Scotland who, as security, requested the director's loan sums. This meant that if the company failed SMD would owe the Bank not only the money borrowed from the Bank but also the sum borrowed from the directors. The debt to the bank was later paid off – the bank thereby losing its right to any claim on the director's dividends – and the director's loans to the company were converted into shares. So Arthur Sanderson (for it was his particular loan to the company that was at the centre of all of this) received shares in lieu of his debt. The Bank of Scotland claimed that the terms of the loan included an absolute assignation of Sanderson's claim against the company (qualified, they claimed, by a back letter from Sanderson). As Sanderson's newly converted shares represented his claim against the company the Bank felt they were entitled to them. Glenkinchie responded that the assignation arrangement was based on the understanding that it existed for the

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sole purpose of securing the debt, and with the debt having been paid off the Bank had forfeited any claim to the amount.<sup>27</sup>

Cockburn sided with his former employers,

*“...IV.169 Second Preference Shares Of The Company In Liquidation.*

The liquidator rejects this item (£1690) of the Claim. As these are shares of the company in liquidation, it is not proper subject matter by a Claim by a creditor... the company of Robertson Sanderson... (now in liquidation) is the registered holder of these shares and the liquidator of the company now claims... the right to them.”<sup>28</sup>

This may have been the end of the Bank of Scotland’s claim to Arthur Sanderson’s shares but, preposterously, it was not the final end of squabbling over them. The business of where the dividends they had raised belonged was not settled until 1922. By this time, the amount (which was £146 5s 3d) had been made available to the five ordinary shareholders, but a Mr. Elgin, on behalf of James Gray’s estate, demanded the sum in its entirety, as compensation for excessive income tax. Elgin would get his way.<sup>29</sup>

Most of the liquidation issues, however, had begun to settle in the summer of 1919 and, as reported in March that year, the amount of share capital to be made available, all debts having been settled, was £31,800 – not such a drastic slump from the £35,000 of 1913, considering all of this had happened through the recession which had preceded the First World War. (In 1916 a survey showed that 90.8% of all military age employees of Edinburgh and Leith’s wholesale wine and spirit firms were serving in the forces.) On 27th June 1920, John Stuart Gowans published the final report on the liquidation. The share capital of the company, which had been stationary since the time of liquidation (some six years prior to the final settlement), was divided into 680 first preference shares, 500 second preference shares and 2000 ordinary shares. All shares were valued at £10 each.<sup>30</sup> The timing of the settlement couldn’t have been better – the ban on pot distilling had been lifted in March 1919, which meant that the company were now able to put their attention again to the task of producing whisky. Unfortunately, economic and legislative constraints were making life difficult for the industry, and Glenkinchie would soon feel the pinch. Chamberlain increased duty from 30s to £2 10s, while only

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increasing the retail price of a bottle by 3s to 12s, meaning the profit margin on a bottle for the producer would be notably reduced. Exports were permitted again, but at less than half the pre-war level, and, as if that wasn't difficult enough, the United States would introduce prohibition on 16th January 1920.<sup>31</sup> Unsurprisingly, SMD's profits had been on the slide for some time, as illustrated below:<sup>32</sup>

	1914-15	1915-16	1916-17	1917-18
DCL	£197,200	£277,500	£267,000	£264,200
SMD	£25,400	£22,000	£21,300	£14,900

Chances to get profits back on track were helped little by yet another huge increase in duty to £3 12s 6d per gallon. (Mercifully, though, this would be the last increase in duty until 1939). The accompanying rise in the price of a bottle was a mere 6d.<sup>33</sup> These were tough times for Glenkinchie and SMD, and it soon became apparent to the shareholders that they were going to have to make a few changes and become part of something bigger if they were to survive. SMD had already made a couple of significant moves to that end in 1919, buying the potentially profitable Edinburgh Distillery from Andrew Usher And Company then selling the struggling Clydesdale Distillery to DCL for £22,000, exclusive of plant.<sup>34</sup>

Many distilleries closed during this period, and the principal SMD distilleries were fortunate to have survived. In fact, their survival often depended on their practice of buying other lowland distilleries purely so they could close them. Glenkinchie, in particular, could be thankful for a number of important factors. For one thing, the quality of their produce was very good. Even at this stage, a consistency of standards throughout the industry had not emerged and much of the whisky on the market was really very poor. Location was also very important. The distillery's proximity to the administrative and business centre of Edinburgh, and to the hub of blending activity which was Leith, made Glenkinchie's an attractive and accessible supply. It was also great for export purposes. That there existed a railhead close to Glenkinchie (shut down by Dr. Beeching in the 1960s) also helped. Also, being run by a group of Edinburgh businessmen gave Glenkinchie a sense of business leadership and general savvy that other distilleries lacked.

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GLENKINCHIE – 1923



*BACK ROW: Sandy Boyd (Cooper), Archibald Wright (Greenkeeper), John Clark (Brewer), Andrew Purves (Maltman), John Sheils (Maltman), William Punton (Maltman), John Docherty Maltman), Peter Purves (Maltman), John Connell (Maltman), Tom Wilson (Effluent), John Scott (Electrician), Alex. Scott (Electrician).*

*MIDDLE ROW: John Renton (Cattleman), John Scott (Handyman), John Ferguson (Head Maltman), Edward Christie (Stillman), John Jackson (Excise), John Nicol (Manager), James Ellis (Assistant Brewer), James Halliday (Clerk), George Nicol (Blacksmith)(Engineer) Robert Harper (Kilnman).*

*FRONT ROW: Alex. Sheils (Maltman), Robert Nicol (Steam Engineer), John Keegan (Stillman), Dickie Wright (Boilerman), William Callander (Maltman), "BRUCE", Alexander Dewar (Horseman), William Hay (Maltman), John Christie (Horseman), David Beveridge (Tunroom-man).*

*FAR REAR: Robert Henderson (Driver), James Quinan (Driver)*



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## TOWARDS RECOVERY FROM 1925

In 1925 the Distiller's Company Limited (DCL) bought SMD in its entirety. SMD had provided something of a model for DCL in their decision (in 1928) to form all their malt distilleries into a single group. The SMD amalgamation process had been overseen by W.H. Ross of DCL (who was repaying a debt to DCL by negotiating an amalgamation which was designed to help St. Magdalene distillery out of a tight financial spot). SMD were regarded as something of a runaway success, partly because they used identical pot distilling methods to DCL and had established a laboratory, staffed by a professional chemist, just as DCL had done previously, and partly because of James Risk's effective consultancy (Weir describes the lowland distilleries prior to the SMD merger as "backward"). The great amalgamation of the distilleries meant that the majority of SMD's produce was being bought by DCL, and it was this that led Risk to suggest, in 1925, that DCL should buy SMD. Weir quotes DCL as being "not particularly desirous of going in for any more amalgamations", but somehow Risk must have convinced them around their reservations, for amalgamate they did. DCL also acquired 33% of all shares in Risk's Clynelish distillery, thus making this distillery part of SMD. As a result of these arrangements it became possible, in agreement with the other malt distillers, to reduce industry production by 25%. In 1930, in the wake of the previous year's Wall Street Crash,

"DCL placed all its malt distilleries under the control of its subsidiary SMD. The SMD board was reorganized: chairman, Thomas Herd, directors, Henry J. Ross, Alfred Horsfall, S.H. Hastie, OBE MC BSc FIC, J.B. Cumming, CA, David Black and T.C. Scott CA; secretary J.B. Wylie, CA. It was subsequently discovered that this arrangement deprived several DCL group companies of the right to call themselves 'Distillers'".

In agreement with customs and excise, some distilleries were formally leased to DCL-operating companies, in an attempt to fix this problem.<sup>35</sup>

As an indication of how bad things had become as a result of the extended depression, in 1931 Glasgow only had four



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whisky brokers, as compared to 25 in 1924. Indeed, the following year, DCL announced that they would be opening none of its distilleries in 1933, an example that was followed by everyone except Glenlivet and Glen Grant. This year of closure would, however, signal the lowest ebb of the industry at the end of a long recession. The recovery was just about to begin. Roosevelt brought prohibition to an end in 1933 and, in Great Britain the Chancellor's budget produced the first statutory description of Scotch whisky. A whisky could only claim the title if it "had been obtained by distillation in Scotland from a mash saccharified (sic) by the diastase of malt and had been matured in bond for a period of at least three years" (Finance Act, 1933).<sup>36</sup>

It is observed by one anonymous commentator of the time, however, that "Glenkinchie has at all times been a favourite Lowland malt of the largest firms in the trade, and this is testified (to) by the fact that it has worked almost continuously since its inception".<sup>37</sup> In anticipation of an approaching upward turn, DCL would move to more desirable premises in London, at 20/21 St. James Square in 1935.<sup>38</sup> The upward turn wouldn't last too long.

## WORLD WAR II AND THEREAFTER

Needless to say, the outbreak of the Second World War on the 4th of September 1939 brought dire times for the whisky industry, but while other distilleries were forced to close during the Second World War (by October 1942 only 44 distilleries were still allowed to do any distilling – all others had been forced to stop in order to preserve barley as a foodstuff), Glenkinchie was allowed to continue distilling (albeit in a greatly reduced fashion – they were allowed to produce a small quantity during each year of the war). This privilege was almost certainly afforded the distillery by its proximity to Edinburgh and the clout of the Edinburgh business community.

A number of drastic measures were employed during this time:

- Duty on whisky was raised no less than four times during the war – from 72s 6d to 82s 6d per gallon in 1939 (the maximum retail price of a bottle rising to 14s 3d), then to 97s 6d per gallon the following year (maximum retail price

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per bottle: 16s), further to 137s 6d in 1942 (maximum retail price per bottle: 23s), and finally to 157s 6d in 1943 (maximum retail price per bottle: 25s 9d).

- Rationing of whisky was introduced in 1940.
- Grain distilling ceased entirely in 1941.
- A Finance Act of 1941 ordered that all excess profits be taxed at 100%.
- The Whisky Association had to be wound up and replaced by a new body, the Scotch Whisky Association (SWA). The reason for this was that the Whisky Association's constitution did not allow for a much needed amendment which would introduce a 'stop list' designed to cut off all supplies to retailers who flaunted the maximum retail price as set by the association.
- In August 1944 the government set a hard limit on distilling. 100,000 tons of barley would be allocated to the working distilleries and not a grain more.

These and other factors resulted in some equally drastic consequences:

- By March of 1940 pot-distilling output had dropped to about one third of the previous year's level.
- By 1941 home trade supplies had been cut to 50% of their pre-war level (although exports had increased).
- By the end of the war some 4.5 million gallons of whisky stock had been lost as a consequence of enemy action. Undoing this damage was of prime importance to Churchill. In April 1945 he would demand,

*“On no account reduce the barley for whisky. This takes years to mature and is an invaluable export and dollar producer. Having regard to all our other difficulties about export, it would be most improvident not to preserve this characteristic British element of ascendancy.”*

In order to undo some of the damage inflicted on the industry some regulations on the Manufacture Of Spirits (No.1588, 1945) were drawn up. The prohibition of Sunday working was lifted, as was the ban on concurrent brewing and distilling. When these measures came into effect, on New Year's Day 1946, distilling capacity was instantly doubled. Home trade supplies began rising rapidly again, but all these gains were suddenly halted when the cap on the amount of

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barley made available for distilling made itself felt again. Grain distilling would cease in May and malt distilling would follow suit in September. (Sufficient barley to resume distilling at pre-war levels wouldn't be released by the government until 1949, and with the capacity to produce suitably revived, sterling would be drastically devalued – from \$4.02 to \$2.80 – to encourage American buyers.) Another couple of hikes in duty would also make themselves felt – In 1947 the Chancellor of the Exchequer raised duty by 33s 4d to 190s 10d, and the following year Stafford Cripps would raise it a further 20s. At this point SWA would raise the maximum retail price of a bottle to 33s 4d. By 1957 it would be 37s 6d.

The ban on the importation of barley would finally be lifted in 1954, coinciding neatly with the end of rationing. In the SWA annual review of that year it was reported that whisky had come '*off quota* for the first time in fourteen years'.<sup>39</sup>

Throughout the 1940s and 50s Glenkinchie's distillery manager, W.J. McPherson, farmed the adjacent 85 acres. On this land he bred a prize-winning herd of Aberdeen Angus cattle (inspired, as he was, by the Smiths at Cragganmore, who had done the very same a few years previously). During the 1950s McPherson's cattle won the fatstock Supreme Championship for three successive years at Smithfield, Edinburgh and Birmingham. They did, in fact, win the Smithfield championship in 1949, 1952 and 1954.<sup>40</sup> These cattle were, of course, fed on the residual wet draff from the distillery. Clearly, this made a fine argument for using the leftovers of the malting and mashing processes to such ends. The farm grounds were also used as a holiday retreat for DCL's hard-working Clydesdale horses. These would pull dray-carts all around the country and, during the summer months, the Glasgow-based horses would be given a welcome break to amble around the Glenkinchie farm at their leisure, and duly recover from their toil.<sup>41</sup> In 1956 Glenkinchie decided to keep two of the horses. They would work for the distillery pulling carts loaded with coal and barley from nearby Saltoun station. This practice continued until the railway line closed in 1968.<sup>42</sup>