

CASE OF THE SCOTS LOWLAND DISTILLERS.

THE Distilleries in Scotland, previously to the year 1786, were under survey of the Officers of Excise, the Duties being ascertained according to a certain rate per Gallon of the produce. Various alterations, in point of regulation, were, from time to time, enacted; but the result of all was, that no Revenue of any importance was produced: and the Country was all the while supplied with Spiritous Liquors, plentifully and cheaply, by Illicit Distillery and Smuggling.

In the Year 1786, the mode of ascertaining and collecting the Revenue, by a Licence-duty per Gallon of the contents of the Stills, was introduced. The Licence-duty imposed on Stills in the Lowlands (for Barley, and other Grain, and Malt) being 1*l.* 10*s.* per Gallon of the contents, exclusive of Malt-duties; and the Licence beyond a certain line, dividing the Lowland from the Highland District, 1*l.* per Gallon, on a given number of bolls, to which, by the Statute, the Highland Distiller was limited, but to which he never did confine himself.

Here, however, the difference of Duties was so inconsiderable, that the idea of *Exemption* was scarcely, if at all, perceived;—it being put on the footing of a reasonable allowance for the inferior quality of Grain in those parts of Scotland, for the purpose expressly assigned in the Act of Parliament;—“of promoting Agriculture and Improvement in the said Highlands, and for accommodating the *Inhabitants thereof* with *Spirits* drawn from *their own Grain*, at moderate prices.”

Two years after, viz. in 1788, the Distillery Licence-duties in the Lowlands were doubled, being advanced to 3*l.* per Gallon; but no addition took place on those in the Highlands.

The next advance was in the year 1793, when the Lowland Licences were raised to 9*l.* per Gallon, with an addition of only 10*s.* on Highland Licences; being 1*l.* 10*s.* on these, with the exemption from Malt-duties as before.

Under that law, in the year commencing 10th Oct. 1793, there were licensed in the Lowlands 10,140½ Gallons, producing; at 9*l.* per Gallon, exclusive of Malt-duties, a Revenue of £91,264 10

In the Highlands 11,198½ Gallons, yielding of Revenue, at 1*l.* 10*s.* per Gallon, inclusive of Malt-duty exemption, commencing 1st December, 1793, - 16,797 15

Total first year, at 9*l.* and 1*l.* 10*s.* - - - - - £108,062 5

In the year following (1794-5), at the same Duties, there were licensed in the Lowlands, in place of Gallons 10,140½ producing Duty, - - - - - 91,264 10
only Gallons, 8,578, producing Duty, - - - - - 77,202

Decrease of Gallons 1,562 Decrease of Duty, - - - - - £14,062 10

But in the Highlands there was an increase of 1874 Gallons, the quantity licensed this year being Gallons 13,072 Duty 19,608
Former year, 11,198 16,797 15

Increase Gallons 1,874 Duty £2,810 5

2,810 5

Total Decrease Duty £11,252 5

The aggregate produce of the first year, at 9*l.* and 1*l.* 10*s.* being Lowlands, 91,264 10
Highlands, 16,797 15

108,062 5

The second year at 9*l.* and 1*l.* 10*s.* - - - - - Lowlands, 77,202
Highlands, 19,608

96,810

Decreases of Duties as above, £11,252 5

Towards the close of the Session of Parliament 1794, 1795, an additional Licence-duty, of 9*l.* (being 18*l.* per Gallon in whole) was laid on the Lowland Distilleries, and an additional 1*l.* per Gallon (being 2*l.* 10*s.* in whole) was laid on those in the Highlands, to commence 10th October, and 1st December, 1795.

In consequence of the Prohibition of Distillation, which took place in July, 1795, and continued till October, 1796, these last Duties were not incurred or levied. Had these been collected, and had the quantities licensed remained the same as last year, they would have produced as follows:

Lowland Licences, Gallons 8578, at 18*l.* - - - - - 154,404
Highland Licences, Gallons 13072, at 2*l.* 10*s.* - - - - - 32,680

£187,084

But from the statement given of the two preceding years, it is fair to argue, that the Decrease of quantity in the Lowlands, and the Increase in the Highlands, with the consequent Decrease of total Revenue, would have been the natural consequence of the increased disproportion of Duties.

By an Order of his Majesty's Privy Council, 20th October, 1796, published in the Gazette 22d October, the Prohibition was taken off. The Proclamation arrived in Scotland on the 25th of October; but it was at least ten days longer before the Distillers could begin to work, and some of them were obliged to submit to a much longer delay. The Highland Licence-year commences not till the 1st of December. There has not, therefore, been any experience of the 18*l.* and 2*l.* 10*s.* Duty, with regard either to its effect on the Revenue, or on the Prices and Profits of the Trader.

At the time of the removal of the Prohibition, Barley in the Market stood at a very reduced price: but even at that price the Brewers declined buying, expecting that the produce of the Harvest then coming in, joined to a superabundant Importation, would enable them to buy still lower. But the Distillers at this juncture, having no stock of Grain whatever on hand, and going to Market for materials to open their Works, the prices of Barley experienced a rise of 5*s.* or 6*s.* per boll, to the great relief of the Farmer, and to the no less disappointment of the Brewer,

by whom remonstrances were immediately set on foot to throw unmerited obloquy on the trade of the Distiller.

And hence calculations, dictated by interest and caprice, were made, and transmitted to those in high Official Situations, of Duties, which, it was said, the Scotch Distillery could bear, but framed through ignorance or misrepresentation, upon such false and exaggerated principles, as tended at once to annihilate the Revenue and the Fair Trade.

From other sources, however, and from persons entitled to high consideration in the affairs of Scotland, there did likewise, as the Memorialists are informed, proceed complaints, with regard to the abuses of Spiritous Liquors. And far be it from the Memorialists to attempt to palliate the evils which must at all times be produced by the improper use of ardent Spirits: but they trust they may be permitted, at the same time, to lay claim to some share of public favour, from the utility of their trade in advancing the public Revenue, and in promoting Agriculture. Neither will it be denied, that as individuals, encouraged by the Government to employ their skill and capital on this Trade, they ought not to be ruined, because evils may arise from the inordinate use of the commodity which they manufacture.

But at the time alluded to, *viz.* the Removal of the Prohibition, temporary causes did really operate, in no inconsiderable degree, to produce the effect which has attracted so much notice. Whatever quantities of Spiritous Liquors, whether Home or Foreign, smuggled or not, had at that time been accumulated by speculation, were, by the sudden removal of the Prohibition, forced at once into the Market, and produced a sudden depression of price; upon which the operation of the new and untried 18l. Duty could not be known; whilst many of the lowest class of people were tempted to indulge for a time, perhaps to excess, in the use of an article, from the enjoyment of which they had for fourteen months been almost totally excluded. But this could afford no just criterion to judge, what would be the effect of the advanced Duty of 18l. per Gallon upon the price and consumption of the commodity, when matters should have attained to an ordinary level in the Trade.

Under these circumstances, within less than six weeks from the commencement of the 18l. Duty, an addition has been proposed of three times that sum, amounting to 54l. per Gallon on Stills in the Lowlands, while an additional 4l. or even less, per Gallon, (the Malt exemption continuing as before) is said to be the intended advance on Stills in the Highlands:—subject, however, in this last branch, to further consideration.

This new Duty of 54l. per Gallon, if it take place, must unavoidably have the effect to transfer the Manufacture entirely to the North of the Highland Line, if any exemption continue there; from which, and from other sources of Smuggling, the Low Country will with certainty continue to be supplied with Spirits at very low prices. Even should the Exemption be abolished, this advanced Duty being greatly more than the Trade can possibly bear, must have the effect to transfer the supply of the Market from the hands of the Fair Trader into those of the Foreign Smuggler and Illicit Distiller, both so remarkably favoured, in most parts of Scotland, by local advantages. And thus, in either case, this branch of the Revenue, which might otherwise be respectably productive, will be destroyed by means of an over-rated Duty. The Lowland Distiller, the friend of Government, and support of that Revenue, will be ruined, and the uses of Spiritous Liquors in the country (with whatever effects on the morals of the people it may be pregnant) will not be decreased; for that which happened during the legal Prohibition, when a dreaded scarcity of the first necessities of life united all ranks of men in detecting every evasion of the law, cannot be expected to take place in more favourable times, nor in all parts of the country alike; nor can the most zealous endeavours of the Board of Excise, and their Officers, be equal to the prevention.

That the Lowland Distiller, on the common principles of justice, ought not to be thus at once driven from his fair trade, will appear self evident to every impartial mind. But it may be added, that if any weight is due to what may be termed a subsisting Contract betwixt Government and the Trader, this the Distiller has at present to plead; for the fact stands thus: On the removal of the Prohibition the Distillers were invited, by Advertisements from the Board of Excise, published in the Newspapers, to take out their Licences at the Duty of 18l. per Gallon, and to grant Bond for the payment of the Duties, which Licences, the Advertisement expressly declares, shall be in force from the 10th of October, for “*one year, and for no longer or shorter period.*” They have taken out their Licences, and granted Bond accordingly. And thus they stand bound to the Government to pay this Revenue for a whole year, by instalments every two months per advance; from which nothing can relieve them but the three contingencies provided for in the Statute, *viz.* Death, Bankruptcy, or their Works being consumed by fire. And on the faith of this Contract they have provided and embarked proportionate capitals, but such as cannot by any means be supposed adequate to an advance of Duties to Government triple the amount of those upon which they were thus led to calculate.

And here it may not be improper to bring under view, that the Highland Distiller, although his Works are confined by the Statute to the North and West of a Line, running from the Boat of Balloch, at the mouth of Loch-Lomond and source of the river Leven, in the County of Dumbarton, through parts of the Counties of Stirling, Perth, Forfar, Kincardine, and Aberdeen, has, nevertheless, by the words of the Statute express permission to draw his supplies of Grain from all parts of these Corn Counties, including the Carse of Stirling, Bothkennar, Falkirk, and Gowrie, and from the Coasts bordering on the Murray Firth, by far the most fertile in Scotland. For the rich Barley of those great Corn Districts he is entitled by the law to come to Market a Competitor, not only with the Lowland Distiller, but with the Brewers also, who might with propriety have directed their complaints to this point. And to carry this Produce northward, a few miles within what is called the Highland Line, there to be manufactured into Malt, exempt from Malt-duty, and to be distilled into Spirits, at a Duty which, in comparison with his Lowland Neighbours, may also be termed an exemption.

Under such exemptions the temptation to carry up the Barley of the above-mentioned fertile districts beyond the Highland Line, would, doubtless, be irresistible to the Highland Distiller, even were the law to prohibit him in express terms from the consumption of Grain brought from those parts: but from all restraint on this head, as matters at present stand, he is absolutely freed.

Having transported and malted this Grain, however, and converted it into Whisky, the Highland Distiller is, no doubt, prohibited from carrying his Spirits to the South of the Line. And to do so is an illicit traffic, provided against by various Enactments and Regulations in the Statute. But to the ingenuity of the Smuggler, bounded in situation by nothing else than an imaginary local line, and entitled by the law to erect his Works more remote, or nearer, as he finds conve-

nient, to within two or three miles of some of the principal towns in Scotland, such as Dumfries, Stirling, Perth, and Aberdeen, no Statutory Enactment, or any ordinary Executive Power, can possibly furnish restraint; and accordingly, he is constantly accomplishing his purpose by a variety of means and devices, to run down his Spirits into the Lowland Country, in quantities sufficient to dispute the Market at all times with the Lowland Distiller.

Of this proposition, a few facts, from many that can be proved, may here be selected, sufficient, it is presumed, to afford demonstration.

In the first place, it is a fact, that in many of the Highland Districts, of very limited population, the number of Stills, and quantity of Gallons licensed are such, that it is morally impossible they can find consumption for the produce, without transporting by far the greater part to the South of the Line; and on this head better information or authority cannot be produced than by referring to the Licence Lists recorded under the inspection of the Board of Excise, or than from illustrations to be found in Sir John Sinclair's Statistical History. Thus, in the parish of Methven, small in extent, but situated within a few miles of the town of Perth, are seven Stills; in the District of Dunkeld, there are no less than 43 Stills, containing 1530 Gallons, a quantity of itself more than sufficient to supply the whole Highlands with Whisky; in the parish of Urquhart, or Ferrintosh, where Grain can with the greatest ease be imported, there are 31 Stills; in Caithness, 33; and in the parish of Campbeltown, the best part of Argyleshire, there are 24; and in all the other parts of the Highlands the number of Stills is so great, that to consume their produce of Whisky within their own district, as intended by the Legislature, would not be accomplished, were every inhabitant to be kept in a constant state of intoxication: and, together with these facts, it will be remembered, that the Government did, within these few years past, purchase up an old Exemption of Distilling, duty free, in the Barony of Ferrintosh, made in favour of the family of Culloden, previous to the Union, at a sum exceeding 20,000*l.* sterling; but which Exemption was a very inconsiderable injury to the Revenue, compared with that which now exists in the same District under cover of the existing law.

In the second place, it is a fact, that in the whole Lowland parts of the Country, extending from Perth, through the Counties of Forfar, Kincardine, and Aberdeen, containing many of the first Manufacturing and Maritime Towns, but bordering on the Highland Line, there is not one licensed Still; and in the rich and populous Counties of Ayr and Wigton, but whose Coasts are opposed to the Islands of Bute and Arran, in the Shire of Bute; and the Peninsula of Kintyre, in Argyleshire, there are not above one or two, and those on a small scale.

And lastly, it is undeniable, that Whisky distilled on the North of the Line is preferred by the people of the Lowlands, for flavour and quality, to that produced on the South; and is to be had accordingly in every Spirit-shop and Tavern: nay, it may be seen inscribed on Spirit-shops in the City of Edinburgh—"Highland Whisky sold here."

But it has been urged from high authority, as a reason for advancing the Duties on the Lowland Distillery to 54*l.* per Gallon, that this will scarcely amount to a Duty, per Gallon, of the produce equal to that paid by the English Distillers. On a fair calculation, however, it will be found, that such an advance would bring the Duties more than equal to the Duties in England, considering the different modes of working and collection. And the Memorialists will now beg permission to state some of the reasons why their Manufacture cannot bear a Duty nearly equal to that of the English Distiller; under which head, although it will be material, in the first place, to attend to the difference in the modes of working, yet it is not to be thence inferred, that the mode of ascertaining and collecting the Duties in Scotland and England ought to be assimilated, it being proved, from the experience of local and other circumstances, that Scotland cannot afford Works extensive enough to admit of being put under survey; besides the experience of a Rivalship, at one time created, which ended nearly in the ruin of the Distillers in both Countries, that it is alike for the interest of the Revenue and of the Traders that the mode should continue as at present.

The English Distiller, then, carries on his Work in Stills of large contents, under survey of the Officer of Excise, paying Duties according to the Gallon of Wash, or Wort of a high strength, from which the Duties upon the Gallon of Spirits, also of a high strength, are taken by calculation: his Duties he pays not per advance, but periodically, at the end of every six weeks, by which time the commodity may in general be brought to Market: the extent of his manufacture he can at all times proportion to the demand of the Market, and to the reach of his Capital, as affected by the prices of Grain and other contingent circumstances: he can work faster or slower, as the state of the weather operates advantageously, or otherwise, upon his chemical process: he has it in his power to stop and resume his work when he pleases, and actually does stop during the Summer months, as being less favourable to his operations: he consumes, it is believed, a much smaller proportion of malted, and a greater of unmalted Grain, than the Scots Distillers, many of whom distil from Malt only: he enjoys all the advantages of manufacturing the choicest qualities of English Grain in a Home Market, and all the benefits of an unrivalled trade.

The Scots Lowland Distiller, on the other hand, (the *minimum* content of whose Stills is fixed by law at 65 Gallons, by far the best calculated for the general interest of Agriculture in that country) works altogether under Licence-duties, which he pays at the certain rate, per Gallon, of his Stills. For these Duties, at the commencement of every licensed year, viz. the 10th of October, he is put under Bond, with Sureties, to pay till that day twelve months, in bar of every contingency, but those already mentioned, excepted in the Statute, and depending on irresistible necessity; and to pay *per advance*, at the commencement of every two months; making in the interest of money alone a considerable odds against him: and however unfavourable the season of the year for his chemical process, however dull the Market, or high the prices of Grain, he must work on, or run into Waste-Duties. His manufacture is confined to a comparatively inferior species of Grain, or if he import the Grain of England, he has it loaded with the addition of Freight, Insurance, Commission, and transient Profits. Even the article of Yeast he must import, though almost the refuse of the English Distillers, at a high price and expence, from the London Breweries; and he has the additional charge of Malt-duty to Government upon a great part of his first material.

The Scots Lowland Distiller, therefore, were he unclogged with rival exemption, cannot be supposed capable of keeping pace with the English Distiller, by, perhaps, one half in the computation of Duties; and with the disadvantages which have been pointed out from the Highland Exemption, the disproportion is incalculable.

It follows, however, that in relation to the mode and certainty of the collection, the Scots Distillery carries advantages to the Revenue superior to that of the English Distillery, or any other known branch of Duties under the Excise; because, at the beginning of every Licence-year the

produce of Duties for twelve months is known, and secured to a fraction, with a very trifling allowance on the score of the contingencies already mentioned, but more than made up by the chance of Entries made after the 10th of October; and this is collected by six equal instalments per advance (exclusive of Malt-duties) without the interference of a single Officer of Excise, excepting the Collector, in his periodical circuits; a consideration which, of itself, ought to induce no inconsiderable discount in the calculation of Duties, comparatively with those of more expensive and postponed collection, and of less certain produce.

From those premises it will be an obvious conclusion, that although a large and respectable Revenue may be produced from the Scots Distillery, if not over-rated, and if fairly protected; yet, by imposing a Duty calculated upon erroneous principles, such as a Licence-duty of 54l. per Gallon, the Revenue will be defeated totally; the supply of Spirits to the Country will be given to the Smuggler; the Memorialists will be excluded from their fair Trade, and involved in ruin; the Farmer will be deprived of a fair Market for his Barley; the Landholder of the benefits resulting to his estates, and to the improvement of Agriculture, from Distilleries diffused and protected in the Country by a just and equal law; and the community at large of the advantages arising from the produce of Distilleries applied to the feeding of cattle, of which, to adduce one instance, it may be stated, that during the existence of the late *Prohibition of the Distilleries, the price of Butcher-meat in the Edinburgh Market, formerly 4d. started to 7d. and 8d. per pound weight.*

To avert certain ruin to themselves and families, the Memorialists will conclude, by stating, that they are willing to make trial of any Duty not exceeding 36l. per Gallon, provided the Highland Exemption be abolished, or the law on that head materially altered. Submitting also, that the Current Duties of 18l. per Gallon ought to remain unaltered for the present Licensed-year, or a certain reasonable proportion thereof. And on these terms the Memorialists do, with some degree of confidence, trust, that the sum at which the Revenue has been stated will be produced to the Government; at the same time, that it appears to them a certain consequence of such advanced Duty, that the price of Spirits must rise to a rate equal to that which generally existed during the late Prohibition, and so restore those desirable ends which are supposed to have resulted from that measure.

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