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L E T T E R

FROM

SIR JOHN DALRYMPLE,

TO THE

MEETING OF DISTILLERS OF SCOTLAND,

APRIL 4. 1793

the most of which will (I suppose) be paid to the
Government.

L E T T E R, &c.

to the Hon. the Secretary of the Treasury, &c.
in relation to the proposed increase of the
distillery tax.

Dear Sir,
I have the honor to acknowledge the receipt of
your letter of the 10th inst. in relation to the
proposed increase of the distillery tax.

GENTLEMEN,

1st, **W**HEN I stumbled upon the idea
of levying the distillery-tax by
the size of the still, and not by the quantity and quality of the wash,
I foretold, in a pamphlet, that the revenue on the Scots distillery
would be increased threefold. This happened. The tax at that
time produced about ninety thousand pounds a-year; but it rose to
about two hundred and forty-five thousand upon spirits made in
Scotland, either consumed there, or sent to London.

2^{dly}, When the last equalizing duty was in agitation, I got a
meeting called, by a public advertisement, of the Scots Nobility and
Gentry in London, at the St Alban's tavern; where, in a speech
which was next day printed in the Newspapers, I foretold, that the
produce of the tax from the Scots distillery would fall fourfold;
and I was so fortunate as to bring the meeting to be unanimous in
that opinion. This prophecy has also proved true; for the tax,
which at that time produced two hundred and forty-five thousand
pounds, does not now produce fifty thousand pounds; and the de-
ficiency has not been made up by a rise in the produce of the Eng-
lish tax; for, on the contrary, I am told (though I cannot aver it,
because

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because I have not seen the public accounts), that there has been an average loss since that time of annually, upon the British distillery revenue. All branches of manufacture rise with peace; The cotton, woollen, iron, pottery, and other businesses, have all risen. The British distillery alone has fallen; for which no reason can be assigned but the improper equalising duty, which crushed the distillery of Scotland.

3dly, When the last distillery act was passed, I foretold, in public and in private, that unless a tax was laid on the rectifying still, it would be made use of as a cover to defraud the revenue, by using it as part of a distillery apparatus. This also has happened.

Having thus three times hit right, I think I am intitled to credit for my opinions for the future upon the new distillery law, which must soon come into Parliament, at the expiration of the present one; and I shall confine myself to five heads, viz. 1st, The equalising duty; 2dly, The exportation of spirits beyond sea; 3dly, The exportation to England; 4thly, The strength at which they should be allowed to be exported; and, lastly, Spirits for the navy and army.

EQUALISING DUTY.

The experiment of the present equalising duty has been tried. It has failed of success. The British distillery revenue, which ought to have risen in peace, has fallen, and the revenue loses a-year by it.—Scotland, which, before that equalising duty, possessed one-third of the British distillery (for the contents of her stills were eighty-one thousand gallons, and those of England were two hundred and forty-four thousand), is now reduced to little more than eighteen thousand gallons. We the country

country Gentlemen feel it on our estates; because it consumed our corn and coal, and supplied our lands with manure. Those who were employed in it feel it in the loss of employment, and the country is full of discontents, because, they say (whether justly or unjustly I do not say), that it was a breach of the Articles of Union, which provided, That both nations should be subject to the same regulations of trade and taxation, with some trifling exceptions therein mentioned. My opinion, therefore, is, that you should have the equalising duty reconsidered, and a just and proper one placed in its stead. The Councils of England are wise; the people are generous; and, if you satisfy them that Scotland has suffered greatly, and England not only gained nothing, but lost a good deal by the improper rate at which that equalising duty was struck, they will set it to rights again. They sometimes err; but in a short time their good sense, and the fairness of their minds, bring things round again as they should be.

The best way to intitle yourselves to public favour, is to show public spirit; and therefore, the best way for you to make your approach to the Treasury, and to Parliament, is to offer to heighten the duty on the still; secondly, To pay duty on the rectifying still; and, thirdly, To make both duties payable upon the real contents of the still, taking in all its parts, the worm only excepted. If these three things are done, fraud will be absolutely impossible; and I will for a fourth time prophecy, that the Scots distillery revenue will be more than doubled. If to this gain you can persuade the Treasury and Parliament to add another, by withdrawing the bounty and the drawback of duties on malt exported, you will accomplish two ends at once; first, save the amount of that bounty and that drawback to the nation; and, secondly, take from foreigners the advantage which they enjoy over the British distillery, when they get a bounty and freedom from duty on the malt which they consume; and

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and *we* pay a tax on what *we* consume. It is probable, that the English distillery interest may concur with you in an application for this most reasonable favour to the British distillery.

EXPORTATION OF SPIRITS BEYOND SEAS.

But, if you find that the Treasury and Parliament still insist upon excluding you from the English market, by refusing to repeal the present equalising duty in the new statute, you ought then to ask a favour (or, rather, I ought to call it a matter of right), which no English distiller has an interest to oppose, and every Englishman has an interest to promote, viz. that foreign markets should be opened to you, by allowing you a free unfettered exportation to them; and this is the fortunate crisis for applying for it, when the French brandies are excluded from all foreign markets by the war, and when almost all the spirits made in Holland are called for by the armies in Germany and the Netherlands; so that great blanks in the markets may now be filled up by British spirits. The vast advantage to you in exportation is, that your superfluous spirits will get a vent abroad, when they cannot find it at home.

At present, in the export trade, this country is in a most unfortunate situation. We cannot export without entering a work expressly for exportation; and that work must be upon the monstrously expensive establishment of sixteen hundred gallons, which the purses of few persons in this country can bear; and the law puts them under such a number of Excise embarrassments in the conduct of the work, that notwithstanding all the spirit of our countrymen to erect distilleries for home consumption, not one has ever yet been erected for exportation beyond seas; a proof beyond ten thousand witnesses, that something must be wrong in the multiplication of those fetters.

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I know it will be said, that all these fetters were necessary, in order to put it out of the power of defrauders to sell for home consumption, what was pretended to be for exportation. And perhaps this may be a good reason for fettering the export works in England, where the height of the tax, of three and threepence *per* gallon, is a temptation to commit the fraud. But this danger does not apply to Scotland, where the tax is paid, not by the quantity pretended to be accounted for to the officer, but by the still, which is subject to no account, and where the tax does not amount to above sixpence *per* gallon; a gain so trifling, that no man in his right senses would run the risk of prosecution, detection, penalties, and loss of character, to obtain it. Or, if the present penalties be thought too low, let other penalties and checks be superadded to them; you ought yourselves to suggest and contrive those checks, in order to show that you mean the fair thing to Government.

It has been my chance in life, to spend much of my time in foreign countries, in some of which I have sometimes employed myself in attention to the distillery business, because I have distilleries upon my own estate; from which circumstance, I am, perhaps, more able than others to show you the great consequence to Scotland of a free exportation of her spirits to foreign markets.

Spirits, when carefully distilled and fully rectified, so as to be reduced to a pure, or what is called a silent spirit, whether made from wine, from corn, or from sugar, have all precisely the same taste, and are equally wholesome or unwholesome; and the only difference in their taste, or in their wholesomeness, arises from the execution of the distillation and of the rectification, and from the flavours either left in the spirit by not rectifying it fully, or by new flavours added to it when fully rectified, called compounding.

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Now, the French are expert in the arts of distilling, of rectifying, and of flavouring; and they have the advantage of small cheap wines, which they mix with their spirits, and which give them that peculiar French taste so well known amongst connoisseurs. Hence the French brandies are the best in the world. But as the French have little fuel, and their spirits are almost all made of wine, they are not cheap.

The Spaniards are unexpert in distilling and rectifying, and have miserable vessels for both; but they have the finest of all flavours from Madeira, and their dominions in the New World; and they have the advantage of cheap wines to add to the spirits, if they choose it. But these wines are strong, and give too full a taste. Their grapes are not well fitted for spirits now in use; from which last circumstance I found to my surprize, when I was in Spain, that nine-tenths of their brandies were made from corn spirits, like our own; and indeed, when Langara's fleet was brought to England, there was hardly a drop of wine brandy in it, all their navy stores consisting of corn spirits. This circumstance, of their being made from corn, should make their brandies cheap; but this is overbalanced by the great want of fuel, and by the great height of wages, which, upon an average, to the lowest man in Spain, is two shillings *per* day. From those combined causes, the Spanish spirits are not so good as the French, and are nearly equally dear.

The next great distillers that I know of are the Dutch. They are expert in the arts of distilling and rectifying; and they have one singular material for flavouring, which comes down the Rhine, behind them, to their country, I mean the juniper; from which circumstance their gin is the best in the world. But then, with regard to all their other spirits, they labour under the following disadvantages:

(7)

advantages: They have no grain in their country, and are obliged to bring it from abroad, which is always expensive; they have no coal, and for what they get they pay to the English the cartage from the coal-pit to the sea, the English tax equal to its value, commission, freight, insurance, cellarage, port charges, breakage, carriage from the sea to the distillery, and several other expences. In short, they have no advantage whatever, except one, which arises from our folly, and which no other nation in Europe gives them, to wit, that of our giving them a bounty and a drawback from duties, equal to above a third on the value of the article, for using our malt; though we pay a tax upon it equal to a third of the value when we use it ourselves. But then the Dutch have an advantage which makes up for all these disadvantages, viz. that they are free of all the embarrassments and mischiefs of the Excise, may work as they please, when they please, and export when and where they please. So standing the case, it is self-evident, if our laws allowed exportation, with every softening of the Excise laws, and every freedom from fetters which the Excise can admit of consistent with the safety of the duties; I say, it is self-evident, that the Dutch could not afford corn spirits so cheap as we do.

I know little of the distilleries of the northern kingdoms, further than that from notes of prices which I have seen, they supply themselves dear with spirits with which the Scots could supply them cheap, if the distresses of exportation laws were removed.

The rums of the West Indies have this disadvantage, that they cannot be rectified to a pure spirit without losing the rum flavour; in which case they will cease to be rum, and consequently would not bring the price of rum. But, from the circumstance of not being rectified, they never can be so wholesome as spirits from wine or corn, because rectification consists in the expulsion of fetid oils and

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and other impurities; and hence, hardly any nation, except the British, the Africans, and the West Indians themselves drink rums. But to the coast of Africa, corn spirits might go much cheaper from Britain than rums from the West Indies, if the laws of exportation did not make them dear; and even with the disadvantage of those laws they go as cheap at present.

But there are two rivals to our spirits in foreign markets, far more dangerous than any of those I have mentioned, I mean the American states, and the province of Quebec. The American states have molasses at hand from the West Indies; they have great crops of grain at home; they have abundance of fuel; and they have learned the art which the Scots have long known, but which the English have never yet arrived at the knowledge of, that the interests of the manufacture of spirits and of agriculture may be combined, so as to be subservient to each other; for almost every farmer in the American states has a small still at his kitchen fire (thousands of which go from Glasgow every year), where he consumes the grain of his farm, and from whence, by the feeding of animals, he produces manure for his farm. The people of Quebec have a still greater quantity of cheap grain and cheap fuel. The inhabitants, being partly French and partly English, have both the distillery arts of France and of England; and they have at last found out, that it is much cheaper to distill their grain at home, than to send it to England, and bring it back in the form of spirits to Quebec; and accordingly, distilleries of vast magnitude are erecting in that province. Both America and Quebec have great markets in their neighbourhood, on the Newfoundland and their own fisheries. The Quebecers have no disadvantage against them but the want of yeast, which they are obliged to bring from England. But this very disadvantage will force them to erect great breweries in their own province; and then England will too late find herself rivalled in foreign markets

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markets by one of her own provinces, in the brewery as well as the distillery business.

In contrast to this state of the distilleries in foreign countries, you will now give me leave to state that of Scotland. We have coals for half nothing; we have wages cheap; from the temperature of our climate, we can work all the year round; whereas, in hot countries, they cannot work except in Winter, nor in cold countries except in Summer; and even in London they are obliged to stop the three summer months. From the humidity of our climate, we have great quantities of drenched barley, half malted in the sheaf, which is fit for nothing but the distillery, and is therefore cheap. We have the best Professor of Chemistry in the world, I mean Doctor Black, whose college, not only the masters and clerks, but many of the workmen of the distilleries, attend; and our people are naturally sagacious, attentive, and full of invention: So that God, nature, and accident, have all pointed out that Scotland should have a vast export trade for her spirits to foreign markets. Why then has she not? I am sorry to answer, Because her export laws are bad. But I add with pleasure, that I trust that you have Ministers and Parliament men who will make them better, if you will take those pains to open their eyes, wherewith I use my poor endeavours to open yours.

EXPORTATION TO ENGLAND.

By the last distillery law, none of you can send spirits to England without making entry in the Excise-Office of a work for that special purpose, and submitting to a variety of severe Excise regulations on almost all your operations. With much affectation of equal justice, the London distillers got thrown into the act a similar

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restraint.

restraint on the exportation of spirits from England to Scotland. I say, with much affectation. They knew well, that none ever had been sent, or could be sent; because, to send spirits from England to Scotland, is to send coals to Newcastle, or pilchards to Cornwall. These regulations were not in the distillery law which introduced the tax by the still; and they are the only instance, since the Union of the two kingdoms, where provision is made for statutory fortresses to be erected, upon the supposition that the interests of the manufactures of the two countries stand on terms of mutual hostility. What would be thought of a law, that no manufacturer of cotton or soap from Glasgow to England, or glass or starch from Edinburgh to England, and no manufacturer of porter or strong beer, broad cloth, iron, or pottery, should export from England to Scotland, without making a regular entry at the Excise of his work-houses, his vessels, his instruments, &c. for the special purpose of supplying the sister kingdom, and submitting to a variety of inconvenient and severe regulations in the mode of working his goods, and conducting his business? Now, I presume you will not find it difficult to get this part of the last distillery statute dropt out of the new one, for the following reasons:

1st, It is impolitic with respect to the national interest. The day may come, when England may have a call for spirits, and find them nowhere but from Scotland. That event must probably happen in the course of a few months. No *wine brandies* can be got from France for the rest of Europe, from the state of that country at home, and in war with all nations. The *corn spirits* of Holland are carried off by the sudden demand of the armies on the Continent, in so much that it is said, the British smugglers have received directions from Holland not to send there for spirits, because they are all gone to the armies. *Rums* cannot come from the West Indies but at a high price; because, in time of war, the expences of

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original cost, freight, insurance, profit, &c. are heightened upon them. When the London distillers proposed the last equalising duty against Scotland, they knew well that it was equivalent to a prohibition against Scots spirits going into England; and, accordingly, not a gallon has gone from that day to this; and, therefore, they would have stopped at obtaining that equalising duty, as a sufficient security for the exclusion of the Scots manufacture in *the common run of years*. But they looked further; they *forefaw that the day might come*, and it soon will come, when the great demand for spirits from England, and consequently their raised price, might enable the Scots distillers to pay even the equalising duty. But to guard against that event, and to hurt Scotland and England together, in order to serve themselves, they contrived the unprecedented and extraordinary plan of entered works for the English market, which disables Scotland to give relief to England even in her utmost need.

2^{dly}, It is unjust with regard to Scotland, because it is certain that no corn spirits come, or ever will come from England to Scotland, and no English work has been entered, or ever will be entered for the Scots market; and, therefore, all the inconveniencies and hardships of the regulations under which the works must be conducted, must be felt by Scotland alone, not by England. I need not enumerate them to you; you know them too well.

I had left London before this part of the bill was produced, to me at least, otherwise I should certainly have called another meeting of the Nobility and Gentry there, to submit to them the national wisdom and justice of it to Scotland. But when I afterwards saw it, and asked what was the reason on which it had been founded, I was told, that it was intended to prevent the Scots from landing their spirits in England, and thereby escaping the English high duties. Strange credulity! If the Scots distiller wishes to land his spirits in England,

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he can do it more easily and safely by entering for exportation to foreign parts, than by running them from an unentered work into England. I say, more easily and safely; for if he pretends to export from such a work to the Baltic, America, or Africa, one check against him, to wit, that of proximity of local situation, is lost, for three, six, or nine months; whereas, if he smuggles from an unentered work into England, that check operates in a few days, because the run of the voyage is only a few days. The post goes in three days; the crew and papers may be examined on the arrival of the ship; and, in the mean time, though he has made his landing good, his spirits are exposed to all the dangers which fall on them from want of a permit. Now, all the regulations of the entered export works for England, will not hinder the defrauder from entering for exportation abroad; and under this last he may do what those who framed the part of the act in question very idly thought they would prevent him from doing, by obliging him to enter, otherwise not to land in England. He will smuggle into England in an unentered work with much danger; from a work entered for exportation to foreign parts with less danger; but the prohibition to export to England is no bridle upon him, who will not put it into his mouth, but a cruel and unnecessary restraint upon the fair trader.

STRENGTH OF SPIRITS FOR EXPORTATION.

Spirits cannot be sent from Scotland to England at a strength higher than one to ten above hydrometer proof, nor exported from any part of Britain beyond seas but at a strength still lower; that is to say, spirits are not to be exported unless they have four parts out of nine of water mixed with them; so that they are loaded with four parts out of nine of expence more than they ought to be, upon casks, portorage, cellerage, cartage to the sea, freight, port-dues and charges,

charges, cartage from the sea, foreign duties, &c. The imposition of such a weight upon our own manufacture and trade is the more extraordinary, because spirits can be imported from beyond seas without one drop of water in them. Our colony rums, the brandies of foreign colonies, and the foreign aquavitae, are freed from four parts out of nine of the expence laid on the carriage, freight, &c. of our own manufacture.

The reason assigned for such limitations is, that they remove the temptation from the Scots smuggler of landing in England spirits of high strength, which have paid only low duties, and from the British smuggler the temptation of relanding in Britain spirits of high strength, which have paid no duties at all at exportation. But this is one of too many instances, where attention to the interest of revenue has withdrawn the attention from the interest of manufacture and trade. For if the loss occasioned by the expence laid thus upon our own trade, and by the disadvantage to our manufacturers of being hindered to work strong or weak as they please, added to the circumstance, that the importer from beyond sea is subject to no such loss in his manufacture or trade, was thrown into one scale, and the saving got by frightening the smuggler, who is not easily frightened by spectres, be thrown into another scale; I suspect there will be found a very large balance indeed against national advantage. Yet this, in the language of British finance, is called *protecting* the revenue.

The natural regulation would be, to allow the exporter to foreign parts to export at any strength within the compass of the hydrometer, and the officer to state the bounty and drawbacks at any strength he pleases within the compass of the hydrometer; in which case, the one could not cheat nor the other oppress: And the strength in both cases are as easily ascertained as weighing a pound

or measuring a pint. In the same way, if the still duty, and the equalising duty between England and Scotland, were properly adjusted, the Scots distiller might be allowed to import into England at any strength within the compass of the hydrometer, and the officer to charge at any strength within that compass; and then the equalising duty would rise, and be paid in proportion to the strength of the spirits. In this case, the vast market of the Newfoundland fisheries would be supplied with wholesome corn spirits from Britain, instead of the poisonous new rums of Martinico.

SPIRITS FOR THE NAVY AND ARMY.

As the laws stand at present, the British seamen and soldiers, consisting of Englishmen and Scotsmen, can get their spirits from England alone, and none from Scotland. This is a hurt to the nation, as well as unjust to Scotland, because it gives a monopoly to the London distillers (for the other English distilleries are trifling) against Government in their contracts for spirit stores. I am told, that the present Government contract for English spirits is *per* gallon; whereas, when the contract was made, they could have been got in Scotland for *per* gallon. A special clause should be thrown into the bill, allowing spirits to be sent free of duties from Scotland to England for the service of the navy and army, in the same way as English spirits are freed of duties when applied to those services. The public has an evident interest in the success of the clause; and therefore, none but the English distillery interest will think of opposing it. But their view will be easily seen through, and therefore none will support them.

CONCLUSION—ENGLISH DUTY BY THE STILL.

It was ten years before I could persuade my countrymen, in pamphlets, newspapers, and speeches at public meetings, that to levy the duty

duty in proportion to the dimensions of the still, was a better mode than to levy it in the common way, by the quantity and quality of the wash; although, in the end, all Scotland to a man came to agree with me. You must not therefore be surpris'd, that it will require time to open the eyes of our neighbours in England. But the time will come when they will become open; and if you think it proper *now* to attempt it, I am ready to state the argument to them in a printed memorial for you to distribute; an argument capable, from premisses and conclusions, of being made as demonstrative as any in Euclid.

In the mean time you may, wherever you have access, state the following *one* advantage in it from *many* to the revenue of England, and the following *one* advantage from *many* to the grain and drink of the people of England.

Advantage to the Revenue.—From the past, the future may be guessed. Before the duties were levied by the still in Scotland, the contents of the Scots stills were under eighty-one thousand gallons. They are now under nineteen thousand; and allowing 5 *per cent.* for fraudulent stills which do not pay duty, they may amount to twenty thousand gallons: Thus they have fallen about three-fourths. The reason of the diminution is obvious: Men wished to contract the quantity of the stills as much as they could, in order to pay the less duty.—The English stills were two hundred and forty-four thousand gallons. By the same calculation they should fall to about sixty thousand, if the duty was levied by the still. Then the whole would be eighty thousand. Now, a tax of ten pounds a gallon upon the still in both countries, which both countries could very well bear, to get rid of the expence, loss of time, troubles and dependence upon the Excise, the revenue would amount to eight hundred thousand pounds a-year, which is two hundred and fifty thousand

thousand pounds more than it has produced for many years past. The tax being equal in both countries (as the Articles of Union provided it should be), Scotland could not cheat England, nor the English distillers oppress Scotland. The plan has this infinite advantage, that Parliament could heighten or lower the duty from time to time, according as the exigencies of public affairs called for it, or the prices of foreign spirits made it prudent; and as there is an affize on bread in proportion to the price of grain, there might be an affize on the duty of the still in proportion to the price of grain. Nobody could complain, because it would affect all equally.

Advantage to the Grain and Drink of the People.—At present, in England, a distiller pays duty by the quantity of the gallons of his wash. In order to pay the less duty, he makes the wash as strong as he can; the certain consequence of which is, that he suffers both in quantity and quality. But if he was left at liberty to make the wash as weak as he pleased, which would be the consequence of a tax by the still, he would gain two gallons more of spirits on a quarter of grain. The quality would be amended in a still greater proportion; for spirits are softer or harsher to the taste, just in proportion as the wash is strong or weak. In these losses, the nation loses just in the same proportion that he does by waste, and loss of character to a great national commodity. When the distiller draws fourteen gallons of wash, instead of sixteen, from a quarter of grain, the nation loses precisely one eighth part of what ought to be the produce of the British distillery, and one eighth part of the grain that is consumed in it. I am,

With great respect for your industry and spirit,

GENTLEMEN,

Your most obedient humble servant,

JOHN DALRYMPLE.

Edinburgh, April 4.

1793.