

## *A Potted History of Whisky*

Whisky Distilling originated in Ireland, arriving in Kintyre and Islay, the closest points of land to Ireland around 500BC.

“Eau de Vie”, “Aqua Vitae” and the Gaelic, “Uisge Beatha”, (pronounced ‘wisheker-vahr’, ‘wishka’, or whisky) – all mean the same thing “Water of Life”.

Distilling usually happened during the winter months using barley from the recent harvest. It was a small scale, family affair, occurring in the wilds of Scotland, usually on or near a farm (barley source) and close to a regular fresh water supply. Double distilled in a small home-made still, the spirit was not aged, but consumed immediately – at high strength..

Every Highlander believed in the intrinsic right to distil his own requirements. Attempts were made over the years to control the amounts being made – and sold – forcing the distillers to seek ever more remote locations to practise their art.

In 1794 The Reverend Archibald Robertson wrote: “this island hath the liberty of brewing whisky, without being under the necessity of paying the vital Excise Duty to the government. We have not an Excise Officer on the whole island. The quantity therefore of whisky made here is great, and the evil that follows drinking to excess of this liquor is very visible on this island.”.

It is believed that Islay was somehow forgotten, an error in the original drafting of the law, which accounted for the large number for distilleries that sprung up here. Another story is that it was too wild, hostile and remote to allow a customs officer to be stationed there. For this reason there is a predominance of distilleries on Islay.

Following The Excise Act of 1823, in an attempt to control the smuggling of illicit spirit, the official licensed distilling industry was born, with - at its height - 329 licensed distilleries – and countless illicit ones.

In 1831 an Irish excise officer, Aeneas Coffey, patented the continuous still method of distillation – a kind of fractional distillation as used in oil refining. This was a considerably more efficient, larger scale method, making much cheaper, though inferior tasting whisky from more readily available grain such as corn and rye. This gave rise to the blended whisky boom.

A Kilmarnock greengrocer, Johnnie Walker, was one of the first to produce a blend. He realised the economic merits of using the cheaper, but less flavoursome grain whisky and added his own selection of Malted Barley (malt) whiskies to beef it up.

The produce of each distillery was shipped in casks to Glasgow and Edinburgh by either sea (hence the predominance of distilleries located on shorelines around the country and Islands) – cart, or rail. The extraordinary concentration of distilleries in Speyside, some would say, is the remarkable qualities water of the Spey and tributaries, but in reality it owes more to the arrival of the railway line from Edinburgh to Inverness that allowed the easy movement of barley, coal and whisky stocks.

This was the halcyon era; a period of great expansion – and of exuberant over-production. Then came The First World War, Prohibition, The Great Depression etc. which resulted in a dramatic spate of bankruptcies and closures, mergers and acquisitions.

There was a polarisation of distillery ownership into increasingly powerful drinks companies that in several cases had diversified from brewing and wine interests.

A further period of industry rationalisation took place in the early seventies during the oil crisis, akin to the great Scramble for Africa. Distilleries were acquired more in order to out-manoeuvre competing groups than because of actual need. These acquisitions were promptly closed down.

And the same thing happened again in the early eighties.

It is the stocks of these whiskies, from distilleries acquired in the seventies and eighties, which were sold off as 'surplus to requirements' ostensibly for blending purposes. This gave rise to the nascent independent bottler phenomenon, and led by Glenfiddich and Macallan, the market for Single Malt Scotch Whisky, which for so long had been suppressed in favour of cheaper, quicker and easier to produce blended whisky.

Mergers and acquisitions have now resulted in four large distilling groups owning around 75% of the remaining 85 malt distilleries: Allied, Guinness United Distillers, Highland, and Pernod Ricard, with a handful of smaller groupings, and three independents making up the rest.

With the reduction in 150 years from 329 to 85 malt distilleries (and of those only 30 are regularly marketed) there will be further rationalisation as the large groups seek to increase their control, and thus profitability, in this sector. Guinness United Distillers alone own account for almost half of these. Expect more distilleries to be 'mothballed' - permanently, until a hardcore of 40 or so distilleries are left.

Or has the worm finally turned?