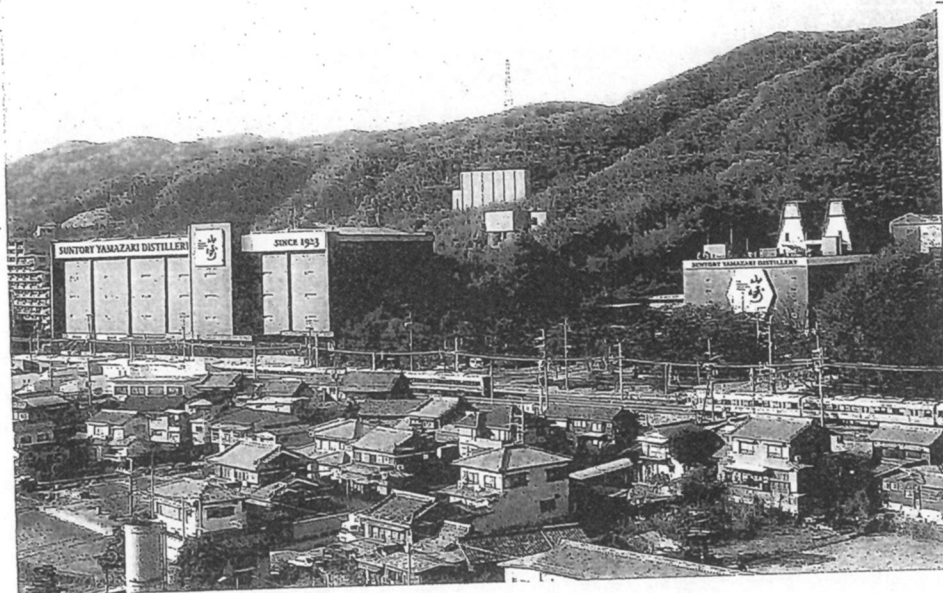




Suntory's Yamazaki distillery. Below, left, Suntory master blender Shingo Torii; right, company founder Shinjiro Torii.

DISTILLER OF THE YEAR

Beam Suntory

Who knows whether Shinjiro Torii, when he opened his Torii Shoten store in 1899 in Osaka, envisaged his family firm becoming the world's third-largest drinks group? Or that, in pioneering whisky distilling in Japan and creating a style that was recognizably Japanese and not a scotch copy, he would excite the world's palates; that the values he laid out would have lasted for over a century.

A few years ago I met with his grandson, Shingo Torii, Suntory's master blender and vice-chairman of the company's board of directors. Then, among other things, we discussed the philosophy which, he felt, helped define Suntory. "It has been about creating and developing a positive tradition, and it is this tradition, or what you could even call 'inheritance,' which should be understood by everyone within the company. It is important that it is handed down."

As other drinks firms increasingly seem attracted to short-term fixes, these embedded values have given a consistency to the firm's long-term vision for whisky. Neither does "consistency" mean "conservative." You don't spend \$16 billion buying a competitor if you are that. After all, one of Shinjiro Torii's first principles was "Yatte Minahare!" [Go For It!]

Suntory has always been based around innovation. This is the firm that transformed the stagnant domestic Japanese whisky through the HiBall revolution, while its research into whisky production at Yamazaki leaves other distillers scratching their heads in disbelief.

I remember asking Torii-san whether a family company was in a better position to take this approach. "I see family management as simply a form of style, he replied. "However, it is also true that this style has enabled Suntory to pursue its dream for a significant period of time and makes the moral values which lie at the heart of the business a top priority in the firm's values."

Seen in that light, the acquisition of Beam is the most visible manifestation of a very long-term strategy. What has resulted is the creation of the only firm that plays in every one of the

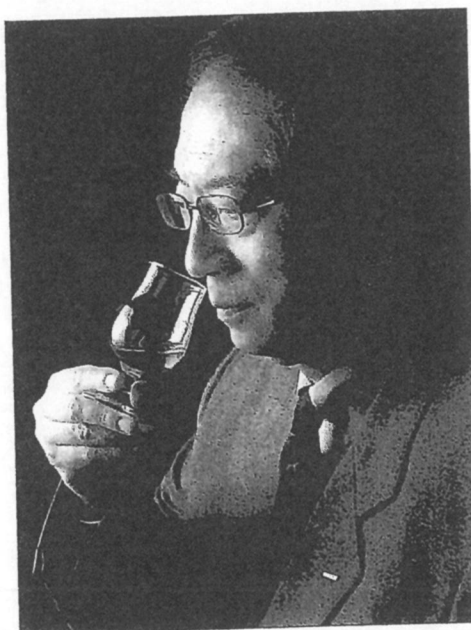
world's key whisk(e)y styles. Beam's stake in bourbon, yes, but also blended scotch and single malt whisky, particularly peated. Beam Suntory is the biggest single player in Japanese whisky, but also owns Canadian Club and the world's rye whisky specialist, Alberta Distillers; and then there's Cooley, from Ireland. It is an astounding—and deep—portfolio.

It will be interesting to see how these Suntory principles are absorbed within American business culture and how the new management handles this range. "We have a deep conviction for making product," said Torii-san. "In addition, [it is about] having a long-term plan, in terms of half a century or even a century, and being able to maintain a sense of humility."

Humility is not a word you hear in whisky often—it is one which should be heard more often in business—but if these Suntory values are maintained, then a measured, long-term approach to building these brands can only benefit the category and consumers. Beam Suntory should not merely be a bourbon firm with some interesting stuff in its second tier.

It took \$16 billion to break the duopoly of Diageo and Pernod-Ricard, but there's a new kid in town, a new seat at the table. Who else could be our Distiller of the Year? Whisky's pieces have been fundamentally rearranged. Things will never be the same.

—Dave Broom



The Small Miracle

Wood, Whiskey and Wine

By Henry H. Work
Reaction, 237 pages, \$35

BY WAYNE CURTIS

IN OCTOBER 1901, a 63-year-old woman named Annie Edson Taylor became the first person to survive a plunge over Niagara Falls in a barrel. Her vessel was 4 1/2 feet tall, 3 feet in diameter and fitted out with leather harnesses and cushions. Barrel and Box, a trade publication, took note of the stunt, suggesting that Taylor be "spanked and put to bed for taking such a foolish trip." But the journal couldn't disguise a bit of professional pride: "We are pleased with the ability of our coopers to make a barrel that will stand the racket."

As well they should have been. At the beginning of the last century, the barrel was king, found everywhere and used to ship nails, biscuits, beer, petroleum, whiskey, pickles, coins and pretty much anything else that would fit from here to there. In 1910, some 91 million barrels were made in the United States. Barrels filled boxcars and boats and horse-drawn wagons and the flatbeds of rudimentary trucks.

The barrel is a small miracle: something made of wood without nails or glue, which can hold liquids almost indefinitely, save for a small amount of evaporation (wood being not absolutely airtight). Barrels were ubiquitous because they were both sensible and indestructible. They are essentially a pair of intersecting arches. They're easily handled by a trained stevedore when full. Barrels roll along an edge when upright,

and when on their side only a small bit touches the ground, so friction is minimal. "The barrel is really a container on wheels," noted Fred Hankerson in the "Cooperage Handbook" (1947). While utilitarian, they were also a remarkable example of craft, with talented, well-trained coopers handmaking these with simple tools well into the Industrial Age.

Sadly, since about 1910, barrels have been rolling only downhill, toward oblivion. Around that time, flour millers stopped using them in favor of sacks; manufacturers soon embraced cardboard and other lighter, less expensive containers. And then along came 55-gallon steel drums, pallets and forklifts. As Henry H. Work writes in "Wood, Whiskey and Wine: A History of Barrels," the final blow was struck in 1956, when a trucking business owner named Malcolm P. McLean became determined to come up with a way to reduce delays in loading and unloading at cargo ports. He conceived the 20- and 40-foot containers that could go directly from ship to truck.

Mr. Work, an American cooper who now lives in New Zealand, tells the surprisingly complicated story of barrels in 14 somewhat erratic chapters. He begins at the beginning, making a case that wooden barrels of the sort we see today arose in the first century B.C. in the forests of Western and Central Europe. The Celts had a "craving for the elixir of the grape," he notes, and engaged in widespread trade of the same, which involved clay amphoras. But such vessels were heavy, cumbersome and fragile. Mr. Work argues that advanced Celtic tools, aided by ample hardwood forests, would have allowed the Celts to "make the long jump from tapered, multi-piece pails and buckets to enclosed barrels." Wooden arti-

facts from antiquity were nearly always destroyed by rot and insects, but a few early barrels preserved in bogs and tombs bolster this argument.

Constructed of wooden staves and held together with either wooden or metal hoops, barrels quickly became an essential part of trade. Romans used them in their commercial dalliances around the Mediterranean, and they were a lifeline between the thirsty English and the Bordeaux region of France from the Middle Ages on. Barrels leapt the Atlantic to become the common coin of American commerce. Ports along rivers and harbors were invariably lined

Barrels would be outmoded but for one fact: Spirits stored in them show marked improvement over time.

with great stacks of barrels awaiting shipment or delivery, like some great glacial moraine of trade.

Barrels would have been wholly displaced today save for one lucky quirk, discovered by happenstance during centuries of transport: Spirits and wine stored in oak barrels tended to show marked improvement over time. (Where oak was not easy available, other wood proved equally useful: "Greek and Cypriot retsina wine is made in pine barrels, but these are coated on the inside to prevent leakage, which tends to give the wine its resin-like taste and thus its name," Mr. Work writes.) White oak contains elements like lactones and tannins, and a phenolic aldehyde called vanillin,

which gives the better bourbons those pleasingly elusive notes of vanilla. What's more, barrels are semipermeable, allowing oxygen in, and water and alcohol vapor out, and thus create controlled chemical reactions that influence flavor.

"Wood, Whiskey and Wine" is a book that needed to be written, but at times I

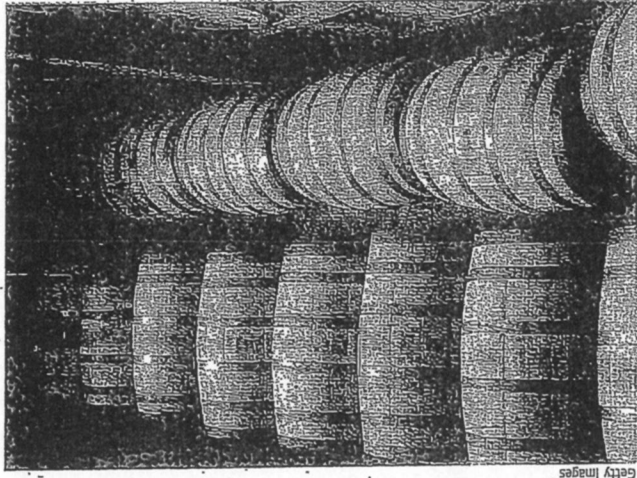
But overall Mr. Work has done a fine

job directing the spotlight toward an object that seems to beg for inattention. Although much diminished from their peak a century ago, coopers are today thriving again with American bourbon makers clamoring for new casks. (Federal regulations require that anything labeled "bourbon" be aged in new oak casks.) The number of craft spirits producers has also surged in the past decade, and barrels are suddenly in short supply. Among vintners, high-quality barrels also remain in high demand, although makers of cheaper wines have embraced workarounds, including the use of oak chips and short planks placed in stainless steel tanks. Mr. Work offers a breezy tour through all this and more.

When you reach the end of this book, I can pretty much

guarantee you won't think of barrels the same way again. Next time you pass a geranium planter made from an old whiskey barrel cleaved in two at Home Depot, take a moment to pause and pay your respects. This was the container that built America.

Mr. Curtis is the author of "And a Bottle of Rum."



questioned whether it's a book that needed to be read. It can be dry and plodding—I have mentioned that this is a book about barrels? The chapters on coopers and cooperages are somewhat choppy and disjointed. I would have liked more reporting on current trends, including experiments like the "honeycomb" barrels being used by some spirits mak-