

Charles Clarke and “Secrets” of the Whiskey Trust

by Jack Sullivan
(Special to the Potomac Pontil)

In failing health and only three years from his death, Charles C. Clarke was summoned in 1899 from his Peoria, Illinois, distillery to testify before an elite Washington, D.C. commission about one of America's most notorious organizations. Known popularly as “The Whiskey Trust,” it bore a reputation for ruthlessly shutting down distilleries throughout the Midwest, reputedly using dynamite when necessary.

Clarke knew a lot about the Whiskey Trust. Peoria was its headquarters, he was among its founding members, and his Clarke Bros. distillery had prospered. Several years earlier, however, he had broken away from the monopoly and declared his operation “independent.”

Federal investigators saw Clarke as a key witness who might, under oath, disclose the full inside story of this secretive organization. The Industrial Commission had been appointed by President William McKinley in 1898 to investigate monopolistic practices in a wide range of industries. It was chaired by a close friend of the President, Andrew L. Harris, a former Ohio governor and Civil War general (Fig. 1). Members were a hand-picked group of prominent senators and congressmen.



Fig. 1: Portrait of Andrew L. Harris

The Commission's interest in the Whiskey Trust in part resulted from its reputed strong arm tactics. In 1880, the average American adult consumed 2.4 gallons of spirits annually. By volume most alcohol was consumed as liquor. As a way of keeping whiskey prices high, a number of Midwest distillers in 1887 had organized a monopoly under the name of the Distillers and Cattle Feeders' Trust.

When a distillery joined the Trust its owners received stock but surrendered control of operations to a board of trustees. Of some 86 distilleries that eventually joined (or were forced into) the Trust, only about a dozen were kept operating. The rest were shut down. The idea was to corner an overwhelming market share and fix prices to insure ample profits. At the time such business practices were legal.

Criminal activity often was alleged in the strong arm tactics employed by the Trust against whiskey-makers who refused to join it. In February 1888 a large Chicago distillery reported that an agent for the Trust had been apprehended in its factory. He reportedly confessed in writing to spying. Subsequently, in September a valve on a vat in the same distillery was discovered to have been tampered with in a way that eventually could have caused an explosion. Three months later at the same site a dynamite explosion did extensive damage to the distillery and blew out windows in the surrounding neighborhood. Strong evidence pointed to the Trust as the perpetrator.

No evidence exists that Charles Clarke was involved in this mayhem. With his brother Chauncey he had inherited a highly successful and lucrative whiskey business that his father, a Massachusetts Yankee of Puritan stock, had begun about 1870.

The distillery stood on Grove Street, at the foot of Persimmon in Peoria. It initially produced a number of brands, including Castle Rock, Checker Board, Elkhorn Gin, Kickapoo Bourbon, Pearl Spirits, and R.D.C. Bourbon. The flagship brand was Clarke's Pure Rye.



Fig. 2: Clarke's Pure Rye Ad

Perhaps at the behest of the Whiskey Trust, in 1888 Clarke Bros. dropped the most of its other brands to concentrate on merchandising Clarke's Pure Rye (Fig. 2). It was sold in clear glass bottles with little embossing and paper labels (Fig. 3, 4). About the same time, Clarke Bros. built a new facility at the foot of Pecan and South Peoria Streets, boasting that it was the "largest whiskey distillery in the world" (Fig. 5). A drawing of the facility on the firm's letterhead, however, fails to bear out that claim (Fig. 6).

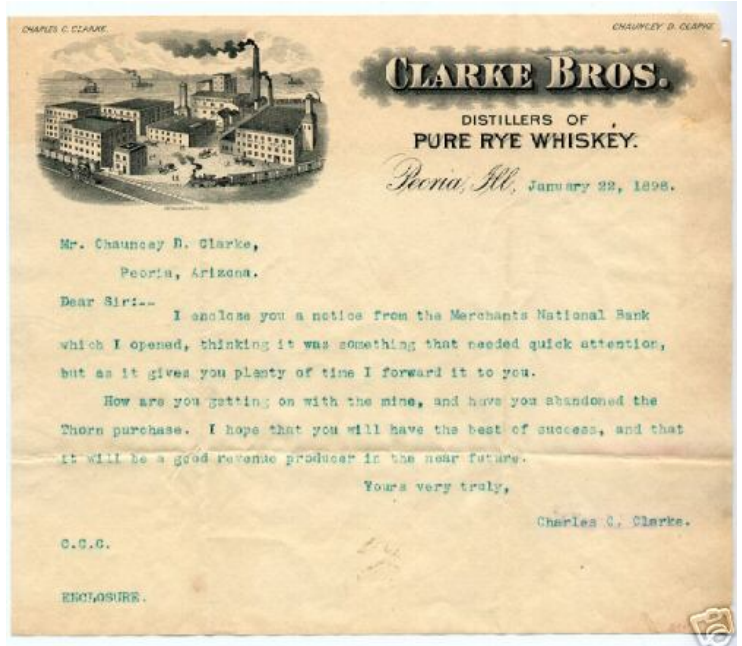


Fig. 6: Letter on distillery letterhead, 1898

The most unusual merchandising strategy employed by Clarke Brothers was plastering the face and body of an elderly and sickly looking man on its advertising. This codger shows up on items from hand mirrors (Fig. 7), to decorative plates (Fig. 8), to bar signs (Fig. 9). It apparently was an image that sold whiskey because Clarke Bros. Rye became a top-selling regional and national brand.



Fig. 3: Clarke's Rye half pint bottle (left)
 Fig. 4: Clarke's Rye pint bottle (right)



Fig 5: Clarke's Rye tip tray



Fig. 7: Advertising hand mirror



Fig. 8: Clarke's porcelain plate

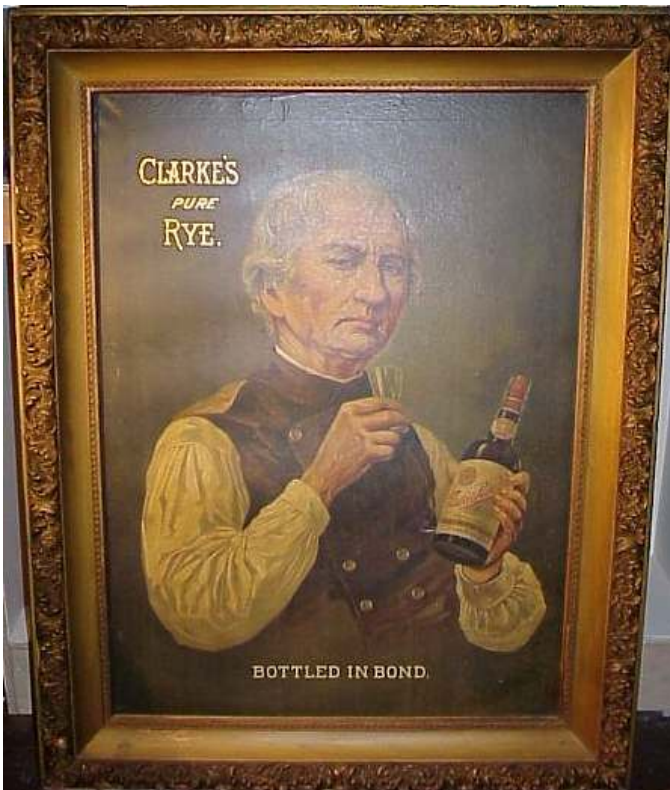


Fig. 9: Clarke's bar sign

In the meantime the Whiskey Trust was experiencing financial troubles. About 1893 five major firms pulled out, including Clarke Bros. In January 1895 the Trust went into receivership only to emerge from bankruptcy and reorganize itself eight months later as the American Spirits Manufacturing Company. Even in its new and weakened form, however, the Whiskey Trust continued to be attacked in newspapers and other publications (Fig. 10).

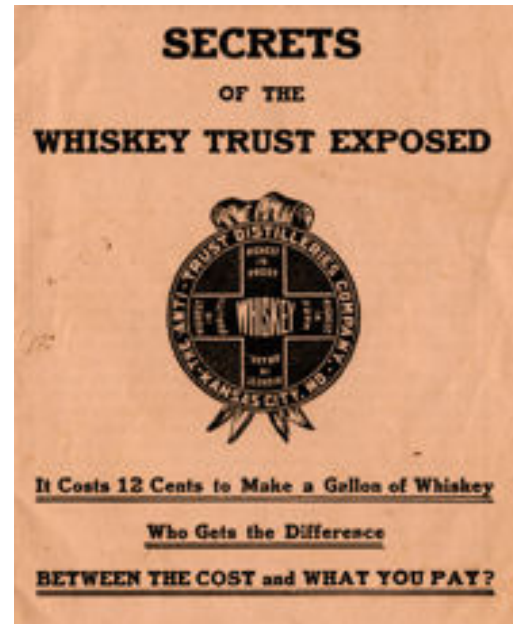


Fig. 10: Booklet attacking the Whiskey Trust

Being summoned to Washington by a high-powered investigative panel in 1899 likely held no fears for Charles Clarke. His father had been a friend of Abraham Lincoln and a well-known figure in the Republic Party. He himself, running on the GOP ticket, had been elected twice as major of Peoria, the first time when he was only 36. In short, Clarke was accustomed to the rough and tumble of politics.

The New York Times of May 14 headlined his testimony before the Commission. Clarke was cautious. He revealed nothing very new, restating only the obvious. "We thought we could make better profits and create a more stable business by organizing into a trust," he told the Commission. He added that the Whiskey Trust had been patterned after the Standard Oil Trust. But unlike that monopoly on oil, as soon as the distillers group decided to raise prices, new distilling operations on the outside started up that drove prices down again. Apparently no amount of corporate muscle (or even dynamite) was able to reverse that dynamic.

The Trust was, Clarke testified, "bound to fall of its own weight." He argued against passing new antitrust laws. The Commission, however, did not agree and in concluding its work in 1902 recommended stronger legislation. Teddy Roosevelt, by then President, agreed, ushering in the "Trust Busting Era" in American history. By then the Whiskey Trust was virtually moribund and Charles Clarke was dead, only 46 years of age. The distillery he helped build would last another 16 years until Prohibition. The facility subsequently would be bought by one of the remnants of the Trust, called the U.S. Industrial Alcohol Company. After Repeal it marketed Clarke's Pure Rye until the mid-1940s when the brand disappeared completely.

Notes: The material for this article was derived from a number of internet sources. Illustrations of Clarke items are courtesy of Robin Preston and his www.pre-pro website.