

Today's Time Capsule is courtesy of Bob Little of Belleville and comes at a particularly poignant moment, since it was recently announced that Corby Distilleries, which was started in 1832, will close on Sept. 30. The picture shows the Corby workforce in 1954. Little's mother

and father, his grandfather and uncle all worked at the distillery at one time, an example of the company's roots in the community. The closure will result in the loss of 170 jobs and mark the end of an era.



Buyout factor in jobs lost 1991

A few days ago, 170 Quinte-area residents woke up with a hangover that won't go away.

The stricken work at Corby Distilleries in Corbyville, and they were in anything but good spirits when word came from their head office that the plant, which had been a 132-year, charter member of Quinte's business establishment, will be closed September 30.

To say this was devastating news for the workers would be an understatement. It went much deeper — the pending closure sent shudders through the community. After all, if the venerable spirits business founded by Henry Corby in 1859 was soon to be history, was anyone's job at any plant safe?

OUR VIEW:

Ripples of Corby closure felt throughout Quinte

The sad answer is no. The recession which has gripped the country in an iron vice has slammed its hard uncaring fist into the breadbasket of numerous businesses and industries in Belleville. The bad times had at least a hand in the padlocking of the downtown doors of S & R Department Store, the elimination of 140 jobs at Northern Telecom, the bankruptcy of GTL Transport and subsequent loss of 17 local jobs, the pending closure of Miracle Food Mart in the Quinte Mall and the elimination of 22 fulltime workers, and the move to the United States of the production side of Westwood Squibb, taking with it 20 jobs.

But the closure of Corby Distillery is by far the biggest blow because it has been so much a part of the community and lent its name to landmarks such as Corby Library and Corby Park.

As befits a firm that has always been a good corporate citizen, company president Donald MacMartin promised fair severance packages for staff and help in finding other employment. He also furnished clues as to the reason for the closure.

MacMartin targeted a shrinking Ontario spirits market — down 30 per cent in the last decade — as drinkers turned to wines, coolers and beer. Another factor was the increasing load of government tax, pushing the product for many into a too-high price bracket.

But there is another factor here. Corby, the largest marketer of spirits in Canada, is controlled (with a 51.2 per cent share) by Allied-Lyons PLC, a British food and drink conglomerate. The firm also owns the liquor firm of Hiram Walker and, through Corby, (the former Toronto operation of) McGuinness Distillery.

All these brands under one corporate umbrella do two things — they lessen competition and they allow for facilities to be closed and production to be shifted under one roof — meaning that production, maintenance and payroll expenses can be slashed. The bottling operation carried out at Corby Distillery here, for example, will be centralized in Ontario at the Hiram Walker plant at Walkerville near Windsor and in Kelowna B.C. Where companies used to start businesses, now they simply purchase existing ones, then follow with the close-and-centralize scenario to maximize profits.

We realize that this technique is employed, particularly in tough times, to cut the fat from firms, making them more competitive, thereby increasing sales and, in theory at least, cutting the cost of products to consumers.

That may be the necessary rule for corporate survival today, but it is cold comfort to 170 workers at Corbyville.