

and taxing such sales heavily. The provincial monopoly extends only to the retail sale and not to the manufacture of alcoholic beverages. The original liquor control Acts have been modified from time to time as deemed advisable.

Important Federal wartime restrictive measures* included War Order C.C. 14 which prohibited the production of distilled spirits for beverage purposes in Canada on and after Nov. 1, 1942, and the Wartime Alcoholic Beverages Order (P.C. #1374, Dec. 16, 1942) which prohibited the advertising of spirits, wine and beer, and limited their importation and sale. Manufacturers' sales of proof spirits were limited to 70 p.c., domestic wine to 80 p.c., and beer to 90 p.c., of the respective amounts sold in the base period (year ended Oct. 31, 1942). Imports of spirits, wine and beer were similarly restricted. The sale of alcoholic spirits of strength greater than 70 p.c. proof spirit (except that taken out of bond or bottled prior to the date the Order came in force), and the distilling of spirits for use in fortifying wines, were also prohibited. The publication of advertisements respecting any spirits, wine or beer, and the advertisement of any person as a distiller, manufacturer or brewer of spirits, wine or beer, or of any person who sells spirits, wine or beer was prohibited, with the exception of labels or information on the containers, or of an advertisement "which, in the opinion of the Minister, is in the public interest, or the legal, financial or other reasonable needs of the distiller, manufacturer, brewer or seller, requires to be published".

The Liquor Boards adopted various wartime restrictive measures, designed to conserve stocks and to ensure a more even distribution of the available supplies. These included the discontinuance of special permits, reduced selling hours in retail outlets, establishment of quotas, etc. With the removal of the restrictions of the Wartime Alcoholic Beverages Order on sales by manufacturers, the Liquor Boards increased the ration allowance to consumers. However, supplies continued to be limited by shortages of materials and manpower.

For the calendar year 1943 the production of beverage spirits in Canada was 2,700,000 proof gal. and there was also produced 20,300,000 proof gal. of industrial alcohol: in 1944 the beverage spirits totalled only 8,500,000 proof gal. whereas the industrial alcohol production rose to 26,700,000 proof gal. These figures show the profound effect of the War upon the distilling industry. Actually, the alcoholic beverage industry occupies a relatively small place in Canada's industrial life. The production of spirits was greatly stimulated by war needs, especially for the production of synthetic rubber and other munitions.

Net Revenue from Liquor Control.—In connection with the provincial figures of net revenue shown in Table 8, it is essential to note that they include not only the net profits made by Liquor Control Boards or Commissions, but also additional amounts of revenue received for permits, licences, etc., which are often paid direct to Provincial Governments. In addition to these figures, the Dominion Government, for the fiscal year ended Mar. 31, 1945, collected in excise duties, customs duties, excise taxes, licence fees, etc., \$44,607,200 on spirits; \$42,507,254 on malt and malt products and \$2,012,112 on wines. †

* These restrictions were amended from time to time. By Aug. 3, 1945, all the restrictions of the Wartime Alcoholic Beverages Order except those prohibiting the advertising of spirits, etc., had been removed. War Order C.C. 14 was rescinded on Aug. 30, 1945.

† These figures do not include sales tax, details of which are not available for separate commodities.