

its by-products. Practically the total production of spirits is placed in bonded warehouses while only a small part of the output of beer is retained in storage. Wine, unlike spirits and beer, is not secured under bond. All imports of alcoholic beverages must go through bonded warehouses before being released to Provincial Liquor Commissions or other agencies licensed by the Commissions to take alcoholic beverages out of bond. Similarly, tobacco, cigars and cigarettes are secured in bond. The conditions under which spirits, beer and tobacco are stored are described in the following paragraphs.

**Spirits.**—There are three types of storage in distilleries. The first consists of metal tanks in bonded warehouses of from 15,000 to 40,000 gal. capacity, which are mainly used for the storage of alcohol or other high-proof spirits. The second type are rack warehouses of solid brick or cement in which 8,000 to 30,000 bbl. are stored on racks in tiers of four to five barrels high. The third type consists of bonded warehouse buildings in which casks and barrels of odd dimensions are stored on the floor, and to some extent, on skidways on top of the first row.

The tank warehouses are generally not heated. In most of the rack warehouses the heat is kept at a constant temperature and the humidity at a specific degree. The warehouse for barrels in tiers may or may not be heated. Many of these barrels are 100 gal. capacity and heating the warehouses would not appear to affect this size of cask.

There are also other bonded warehouses for the storage of alcohol to be used at a low rate of duty in the production of pharmaceuticals and perfume.

**Beer.**—After beer is produced it is run to storage tanks some of which are of metal and glass-lined while others are of wood. No constant degree of heat or humidity is necessary in a brewery warehouse, except in the storage of lager beer when the temperature is kept below the freezing point. Malt and malt syrup are also controlled under bond. Malt is stored in bins of wood or cement; these are Crown locked, as all malt in Canada, at present, is dutiable except when otherwise provided by the Excise Act. Similarly, malt syrup is dutiable except when otherwise provided. It is generally packed in drums of 25 lb. and upwards, and its use and distribution are controlled; in the manufacturer's premises it is held under Crown lock.

**Tobacco.**—Raw leaf tobacco when cured is, in the main, pressed in wooden hogsheads of 1,100 or 1,200 lb. weight. After shipment to the manufacturer it is stored in bond, since it becomes dutiable upon entrance to the manufacturer's premises and also after manufacture into cigars, cigarettes, smoking tobacco, etc. The field warehouses, where the tobacco is stored after curing, are not secured with Crown locks but shipment and sale by permit are regulated. Cigar leaf-tobacco is generally sold in cases so as not to injure the delicate leaf. The type used for fillers is packed in jute. After treatment by the packer it also is placed under Crown lock when received by the manufacturer.

**Statistics of Spirits, Tobacco and Malt.**—Table 15 shows the quantities of distilled liquor, tobacco, cigars and cigarettes placed in bond in recent years. The yearly inventory of breweries shows an increase of bulk gallonage of beer in stock from 9,358,000 in 1945 to 10,304,000 in 1946 and of bottled gallonage from 5,558,000 in 1945 to 5,944,000 in 1946.