

Section 6.—Control and Sale of Alcoholic Beverages*

The provincial liquor control Acts have been framed to establish provincial monopolies of the retail sale of alcoholic beverages, with the practical elimination of private profit therefrom. Partial exception is made in the retail sale of beer by brewers, or others which certain provinces permit, while reserving regulative rights and taxing such sales heavily. The provincial monopoly extends 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.

During the war years, restrictions were placed on the manufacture, advertisement, importation and sale of alcoholic beverages. They are outlined at p. 586 of the 1946 Year Book.

The distilled liquor industry produces not only beverage spirits, but also industrial alcohol as (1) unmatured, denatured by distillers, used in anti-freeze and numerous other items, and (2) unmatured, non-denatured, used in chemical compounds, pharmaceutical preparations, and vinegar. Production of denatured alcohol was 8,093,259 proof gal. in 1947, an increase of some 2,581,391 proof gal. over 1946. Non-denatured industrial alcohol reached an abnormal production of 17,824,944 proof gal. in 1944, due to war needs, but by 1946 production had declined to 3,362,668 proof gal., and 3,211,317 proof gal. in 1947.

Beverage spirits produced and placed in bond for maturing totalled 16,344,309 proof gal. in 1946, with 16,853,384 proof gal. in 1947, an evident increase of about 2,940,000 proof gal. in all new spirits produced being accounted for by the rise in denatured industrial alcohol production.

Materials used showed important changes. Wheat is normally the major item, but in 1947, due to restrictions resulting from world food problems, consumption declined to only 27,325,210 lb. from a peak of 402,535,232 lb. in 1944. Corn replaced wheat, increasing from 15,833,741 lb. in 1944 and 45,191,740 lb. in 1945 to 220,533,419 lb. in 1947. Wheat flour (alcomeal), introduced during the war and consumed to the extent of 77,268,410 lb. in 1944, ceased to be of importance.

Net Revenue from Liquor Control.—The provincial figures of net revenue shown in Table 5, include not only the net profits made by Liquor Control Boards or Commissions, but also additional amounts of revenue received for permits, licences, etc., sometimes paid direct to Provincial Governments. The Federal Government, for the year ended Mar. 31, 1947, also collected in excise duties, customs duties, excise taxes, licence fees, etc., \$78,377,155 on spirits; \$51,825,575 on malt and malt products and \$3,310,378 on wines.† Corresponding collections for the year ended Mar. 31, 1948, were: \$84,944,648 on spirits; \$57,534,701 on malt and malt products and \$2,921,811 on wines.

* Abridged from the report "The Control and Sale of Alcoholic Beverages in Canada", Dominion Bureau of Statistics, Price 50 cents. This report gives an outline of Dominion and provincial legislation concerning the control and sale of alcoholic beverages.

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