

Chapter II

Alcoholic Beverage Use in Canada

Historical Perspective

Although alcoholic beverages have been used by man since prehistoric times, in Canada this has not been the pattern. The Canadian Indians and Eskimos are among the few societies that were unfamiliar with alcoholic beverages (2,9). When European traders and settlers came to the area that is now Canada, they brought alcoholic beverages with them. Sale and trading of spirits with the native population became part of the commerce in the new land. This use of distilled spirits in the fur trade regrettably led to problems of alcohol abuse among the native population and, eventually, to liquor control laws intended to protect the Indians.

Control legislation was first enacted in Canada by the French early in the seventeenth century (7). In addition, in 1664 a royal ordinance was passed charging duty on all liquor imported into the colony. When the duty did not reduce importation of wine and brandy by the settlers, Intendant Talon built a brewery in order to substitute beer drinking for the use of "ardent spirits".

When the whole of Canada was ceded to the British by the Treaty of Paris in 1763, their first act was to establish the liquor trade as a source of revenue. This included licence fees and taxes on distilled spirits. In 1777 an ordinance was also passed to prevent the sale of strong liquors to Indians in Quebec. Under British rule, progressively more ordinances and legislation were enacted to tax and control the sale of alcoholic beverages (3).

The formation of the Dominion of Canada in 1867 led to some jurisdictional confusion as to the constitutional right to tax and control alcoholic beverage sales. By the turn of the century, successive Privy Council decisions established that the provinces had complete control of the retail trade in liquor, while the Dominion had control of its manufacture and importation - although a federal temperance act affected retailing by providing for local option* in the province and the provinces, in turn, might affect manufacturing by also licensing brewers, vintners and distillers.

While taxation of alcoholic beverages became a large source of government revenue the sometimes conflicting pressures for control were also present (5). During the latter part of the 19th Century various types of restrictive legislation were passed and increased agitation for total prohibition became prevalent. This paralleled and was not wholly divorced from similar movements in the United States. Initially various local option laws were passed in Canada, but during the First World War many provinces moved to total prohibition and this was supported by federal action in 1918 to ban importation and manufacture of liquor (8). By 1919 all of Canada had prohibition with the exception of the sale of native wine in Ontario and light beer and wine in Quebec. This trend was reversed during 1921 when

*The right granted by the legislature of a country, province or state to the inhabitants of political subdivisions such as counties or municipalities to decide whether the trade in alcoholic beverages shall be permitted or prohibited therein or what forms it may take.

Quebec, British Columbia and the Yukon Territory discarded prohibition and adopted policies of liquor sale under government control. During the 1920's most of the other provinces followed this example and Canada eventually ended its experiment with prohibition when Prince Edward Island was the last province to discard it following a 1948 plebiscite.

Growth in Consumption

In the past one hundred years since Confederation, the amount and type of alcoholic beverages consumed by Canadians have changed substantially. Table 3 indicates that average consumption of absolute alcohol per adult (15 years of age and over) in 1871 was 1.190 gallons of which 81 percent was consumed in the form of spirits.* During the late 1800's the temperance movement and the presence of local option areas which were "dry" caused alcoholic beverage consumption to decline. The consumption level had fallen even further when prohibition was widespread in Canada between 1916 and 1921. In 1922, the average per adult consumption was 0.540 gallons of absolute alcohol and 59 percent of this was, by then, in the form of beer. By 1931, when all provinces except Prince Edward Island had repealed prohibition, annual consumption had risen to 0.760 gallons per adult (10,11).

The thirties and the Great Depression restricted any growth in the consumption of alcoholic beverages, as well as restricting consumption of most other consumer goods. During World War II a shortage of supply and the imposition of the War-time Alcoholic Beverages Order (12) further restricted alcohol consumption. The

wartime order reduced 1943 production and importation of alcoholic beverages to a proportion of 1942 levels - to 70 percent for spirits, 80 percent for wine and 90 percent of 1942 production for beer. In addition, all advertising was prohibited during this period.

It was only following World War II that consumption of alcoholic beverages in Canada returned to levels above those experienced in 1871. The post-war increase followed the rescinding of rationing and may have also been due partly to the greater percentage of the population who drank, partly to increasing affluence, exposure to European customs, and to other social factors. By 1951, the consumption per adult was 1.373 gallons of absolute alcohol of which 65 percent was in the form of beer.

The consumption in the last twenty years has continued to rise to 2.063 gallons of absolute alcohol, the percentage in the form of beer falling to 57 percent, while consumption in the form of spirits and wine has risen from 35 percent to 43 percent of the total. The latest changes in the proportions of each beverage consumed are, no doubt, due to further changes in Canadian life-styles.

Geographic Patterns

The current consumption in the provinces and territories of Canada varies both in the amount of absolute alcohol consumed and in the type of alcoholic beverage in which it is consumed (see Table 4). The highest per adult consumption of alcohol occurs in the Yukon and Northwest Territories, while the lowest consumption occurs in Newfoundland and New Brunswick. The most populous provinces,

TABLE 3
CANADIAN ALCOHOLIC BEVERAGE CONSUMPTION 1871-1971

	Consumption of Absolute Alcohol Gallons Per Adult 15 Years and Over				Share of Total Consumption		
	Beer	Wine	Spirits	Total	Beer	Wine	Spirits
1871	.178	.048	.964	1.190	15 %	4 %	81 %
1881	.194	.026	.660	0.880	22	3	75
1891	.302	.030	.508	0.840	36	4	60
1901-1921	details not available						
1922	.318	.022	.200	0.540	59	4	37
1931	.414	.103	.243	0.760	54	14	32
1941	.476	.090	.254	0.820	58	11	31
1951	.890	.084	.399	1.373	65	6	29
1961	.997	.113	.501	1.611	62	7	31
1971	1.173	.210	.680	2.063	57	10	33

Sources: Statistics of Alcohol Use and Alcoholism in Canada, 1871-1956, Alcohol Research Foundation.

Control and Sale of Alcoholic Beverages in Canada, Statistics Canada, 63-202.

Estimated Population by Sex and Age Group, Statistics Canada, 91-202.

*All figures in Table 3 are based on the average adult per capita consumption of absolute alcohol and do not reflect the average consumption of the drinking population. More recent data based on percentage of the population who drink are referred to in Table 8.

TABLE 4
CONSUMPTION OF ALCOHOLIC BEVERAGES BY PROVINCE (1970)
Gallons per adult 15 years and over

Province	Spirits		Wine		Beer		Total Absolute Alcohol
	Consump- tion	Absolute Alcohol	Consump- tion	Absolute Alcohol	Consump- tion	Absolute Alcohol	
Nfld.	1.25	.50	.25	.04	17.28	.86	1.40
P.E.I.	1.98	.79	.84	.13	14.90	.75	1.67
N.S.	1.79	.72	1.04	.17	17.98	.90	1.79
N.B.	1.35	.54	1.10	.18	15.57	.78	1.50
Que.	1.13	.45	1.13	.18	25.40	1.27	1.90
Ont.	1.94	.78	1.25	.20	24.31	1.22	2.20
Man.	1.91	.76	1.27	.20	22.44	1.12	2.08
Sask.	1.55	.62	1.06	.17	19.06	.95	1.74
Alta.	1.95	.78	1.77	.28	22.32	1.12	2.18
B.C.	2.34	.94	2.14	.34	23.75	1.19	2.47
Yukon	4.80	1.92	3.04	.49	47.25	2.36	4.77
N.W.T.	3.08	1.23	2.00	.32	27.57	1.38	2.93
CANADA	1.70	.68	1.31	.21	23.45	1.17	2.06

Sources: Control and Sale of Alcoholic Beverages in Canada, Statistics Canada, 63-202.
Estimated Population by Sex and Age Group, Statistics Canada, 91-202.

Quebec and Ontario, are close to average, Quebec being somewhat lower and Ontario higher. The proportion consumed by type of alcoholic beverage is illustrated in Table 5 and shows some differences in geographic drinking patterns. In the Territories, British Columbia and Prince Edward Island, less than half the consumption of contained alcohol is in the form of beer, while in Quebec, almost two-thirds of consumption is in the form of beer. Prince Edward Island has the highest proportion of spirits consumption, while Quebec has the lowest.

TABLE 5
PROVINCIAL SHARE OF TOTAL CONSUMPTION (1970)

Province	Spirits	Wine	Beer
Nfld.	35.7%	2.9%	61.4%
P.E.I.	47.3	7.8	44.9
N.S.	40.2	9.5	50.3
N.B.	36.0	12.0	52.0
Que.	23.7	9.5	66.8
Ont.	35.5	9.1	55.4
Man.	36.5	9.6	53.9
Sask.	35.6	9.8	54.6
Alta.	35.8	12.8	51.4
B.C.	38.0	13.8	48.2
Yukon	40.2	10.3	49.5
N.W.T.	42.0	10.9	47.1
CANADA	33.0%	10.2%	56.8%

There are many reasons for the regional variation in the amount and type of consumption. Some of the underlying factors relate to current styles of living in each area of the country, traditional preferences, new immigration and ethnic drinking styles, the proportion of drinkers in a population, the number of men versus women, the tax and price structure, the disparity in regional incomes, the general norms of society in the area, and the degree of urbanization.

Usually, consumption of alcoholic beverages is found to be higher in urban areas and lower in rural areas (4). The figures presented here suggest this may be the case in Canada, except with respect to the Canadian North. In other words, in the less urbanized provinces (the Maritimes and Saskatchewan which, in the 1966 census, had 45 percent to 52 percent of their population living in communities of under 1,000 persons) (6) consumption is lower than the average; however in the northern Territories consumption is extremely high.

Non-urban living in the north is, of course, much different from rural life in, say, Prince Edward Island. One might hypothesize that the male dominated resource-

based societies of the Canadian North encourage a different pattern of drinking and probably a higher proportion of drinkers than in the rest of the Canadian population.

Government Control

The control and sale of alcoholic beverages within each province in Canada are regulated by provincial liquor control acts. The legal age for drinking is regulated by these acts and now varies between 18 and 19. There are other variations in the acts, but the salient feature of all of them is the establishment of a provincial monopoly for retail sale of alcoholic beverages with partial exception being made for beer and cider sales in some provinces and for sales of locally produced wine in one province.

Retail Sale

Throughout Canada, spirits for off premise consumption are sold only through government operated retail stores. The same is generally true of wine except for Ontario. An Ontario wine producer may, with the permission of the Liquor Control Board, establish a retail store in any location for the sale of wine of his own production.

There is some variation among the provinces in the outlets for the retail sale of domestic beer. In Newfoundland, only a small amount of domestic beer is sold by liquor board stores; by far the larger proportion is sold by retail stores owned jointly by the brewers, or by agents or distributors. In Prince Edward Island, Nova Scotia and New Brunswick, liquor commission stores are the only outlets. In Quebec, beer and cider are sold through grocery stores. In Ontario, most beer is sold through retail stores owned jointly by the breweries.

Among the four Western provinces there is some similarity in the distribution of beer. Liquor board stores handle beer, but in addition, in some provinces, establishments licensed for on premise consumption of beer also may sell for off premise consumption.

In the Yukon and Northwest Territories, in addition to territorial government outlets, beer may be sold for off premise consumption by certain licensed outlets.

On Premise Sale

For on premise consumption, licences fall into more or less the same general categories in each province. These licensing categories may be described as beverage room, restaurant and dining room, lounge and club (including canteen).

Beverage room licences are issued in every province with the exception of Prince Edward Island. Originally in most provinces this type of licence allowed for the sale of beer only. Now wine may also be sold in these outlets in Newfoundland; weak cider in Quebec; natural wine and, under special licence, stronger alcoholic beverages in Manitoba; wine and spirits in Saskatchewan; wine and spirits in some cases in Alberta; and cider in British Columbia and the Yukon Territory.

The other types of licences usually allow for on premise sale of all alcoholic beverages. The hours and days of sale for on premise consumption are also regulated. There is some variation among jurisdictions but most current regulations are not regarded as being highly restrictive.

Advertising and Promotion

Advertising and promotional practices also differ from province to province. While in regard to alcoholic beverages, advertising is a matter of provincial control, the federal government regulates all television and radio broadcasting in Canada. The provinces must act within the limits of these federal broadcasting regulations which permit a certain amount of advertising of beer and wine, but prohibit the advertising of spirits. Provincial advertising regulations cover a broad spectrum – from the allowance only of institutional-type advertising in Saskatchewan to the provision of fairly liberal advertising regulations in Newfoundland. The content of the advertising message is regulated in considerable detail and this varies among provinces.

Seasonal Influence

The type of beverage consumed in Canada by many drinkers is influenced by the seasons. Figure 2 shows the monthly pattern of beverage sales in Canada based on the average of a number of recent years' monthly sales statistics.

The average of each month's sales as a percentage of the average annual sales is shown for beer, spirits, wine and, for comparative purposes, soft drinks. In this regard it is interesting to note that both beer and soft drinks experience remarkably similar consumption patterns with the peak demand occurring in June, July and August of each year. In contrast, spirits and wine show increasingly higher sales in October, November and December. Consequently there is evidence that Canadians do not view these beverages as being interchangeable. These figures seem to indicate that Canadians view the purpose of the various alcoholic beverages as being different, with one beverage being more appropriate at one time of the year than another.

Current Drinking Patterns

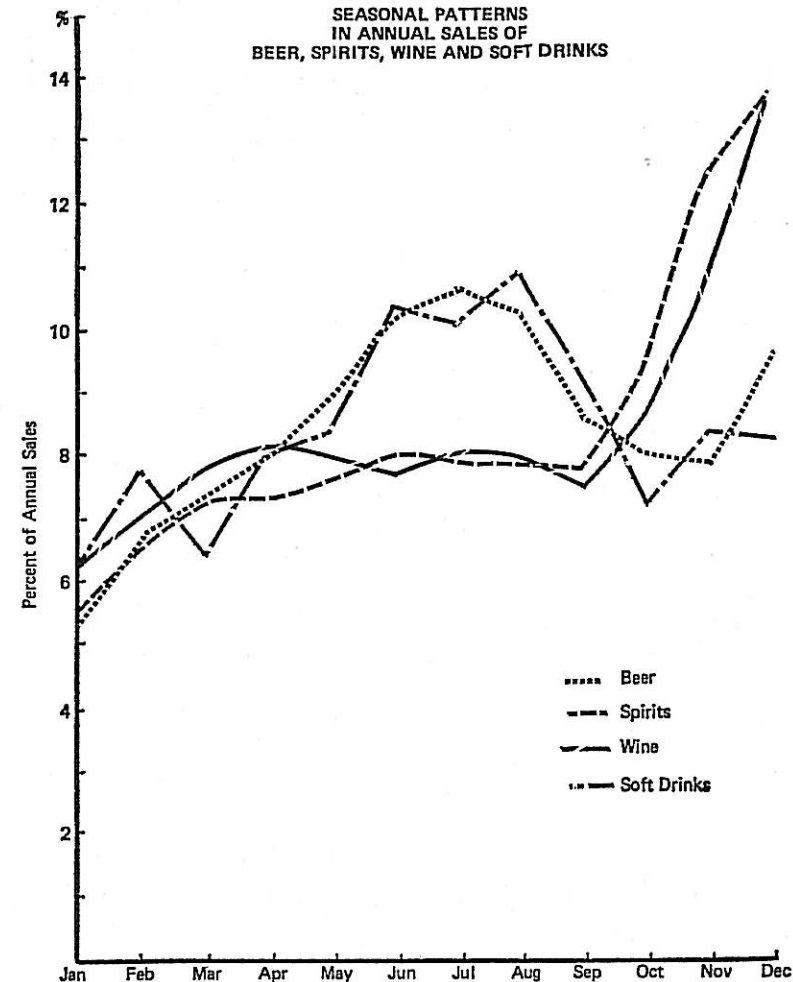
Research into drinking patterns in Canada has not progressed as far as in certain other countries, but there is sufficient knowledge to indicate some trends in Canadian drinking patterns.

The Canadian Institute of Public Opinion has conducted surveys of Canadian drinking habits (excluding the Yukon and Northwest Territories) and these have been reported for the early 1950's by Popham and Schmidt (10) and more recently in the Annual Reports of the Addiction Research Foundation of Ontario (1).

Table 6 indicates that an estimated 67 percent of the Canadian adult population drank in 1950 while 33 percent were total abstainers. The survey also shows an estimate of the number of drinkers by region and by sex. Women have traditionally abstained to a higher degree than men. A breakdown of age also shows a tendency for older people to abstain. Table 7 gives the results of a similar survey conducted in 1968 which showed that poorer and less educated people were also more frequently abstainers. This survey further indicated that the larger the community, the lower the proportion of abstainers.

By 1970, it was estimated that 80 percent of Canadians consumed alcoholic beverages (1). An estimate of per drinking adult consumption based on such surveys is shown in Table 8. When Table 8 is restated in graphic form (Figure 3) one can see that the increase in consumption is not evenly distributed among the types of alcoholic beverages. Beer consumption per drinking adult over the past twenty

FIGURE 2
SEASONAL PATTERNS
IN ANNUAL SALES OF
BEER, SPIRITS, WINE AND SOFT DRINKS



Note: The monthly average sales of each beverage were estimated based on data from producers' records, Provincial Liquor Commission sales or shipment data, and from Statistics Canada production figures. The monthly averages represent a data series ending in 1970 in all cases, with a six-year data series used for beer and soft drink averages and a five-year and three-year series used for spirits and wine respectively.

years has risen 10.4 percent, while spirits consumption per drinking adult has risen 42.8 percent and wine drinking is up (from a lower base) by 126.2 percent.

Drinking patterns vary among the provinces, but in general, in terms of the total absolute alcohol consumed in Canada, beer accounts for the greatest proportion of consumption, followed by spirits and then wine. The purpose and use of the different beverages vary, with beer showing seasonal peak sales in the summer months, paralleling those of soft drinks, while spirits and wine are sold in greatest volume during the last three months of the year.

TABLE 6
 PROPORTION OF USERS OF ALCOHOLIC BEVERAGES AND
 TOTAL ABSTAINERS IN VARIOUS SEGMENTS OF
 THE ADULT POPULATION OF CANADA
 According to Canadian Institute of Public Opinion Surveys - 1950

Population	No. of Respondents	Users	Abstainers
		%	%
Canada	1,766	67	33
<i>Region</i>			
Maritimes	192	47	53
Quebec	498	67	33
Ontario	546	70	30
Prairies and B.C.	530	73	27
<i>Sex</i>			
Male	888	79	21
Female	878	56	44
<i>Age</i>			
21-29	381	67	33
30-49	867	73	27
50 and over	518	59	41
<i>Religious Denomination</i>			
Roman Catholic	644	69	31
United	393	59	41
Anglican	245	80	20
Other	431	65	35
No Church	53	79	21

Note: All proportions were calculated by staff of the Canadian Institute of Public Opinion on the basis of responses obtained from stratified samples of the Adult (aged 21 and older) population to the question "Do you ever have occasion to use an alcoholic beverage such as liquor, wine or beer, or are you a total abstainer?" The Addiction Research Foundation has used a similar estimate of the proportion of drinkers and applied it to the 15-20 year age group.
Source: Statistics of Alcohol Use and Alcoholism in Canada 1871-1956, Alcoholism Research Foundation, University of Toronto Press, Toronto, 1958.

TABLE 7
 PROPORTION OF USERS OF ALCOHOLIC BEVERAGES IN
 VARIOUS SEGMENTS OF THE ADULT CANADIAN POPULATION
 (Over 15 Years of Age)
 1968

	Per Cent of Drinkers in the Population
<i>Total respondents</i>	80%
<i>Sex</i>	
Male	86
Female	75
<i>Age</i>	
21-29	92
30-49	89
50 and over	68
<i>Religious denomination</i>	
Roman Catholic	73
Protestant	71
<i>Education</i>	
Less than High School	78
High School or more	86
<i>Economic status</i>	
Poor	69
Average	84
Prosperous	88
<i>Size of community</i>	
under 10,000	62
10,000-100,000	77
over 100,000	88

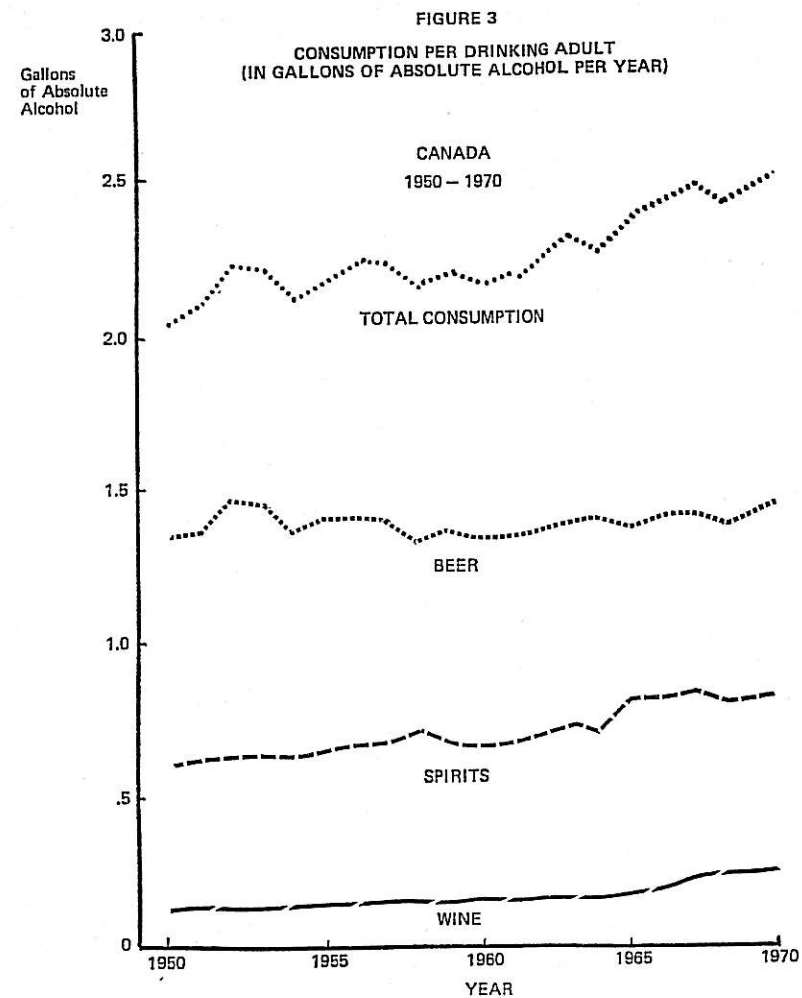
Source: deLint, J., Schmidt, W. and Perhanen, K., The Ontario Drinker Survey, A Preliminary Report, Addiction Research Foundation Study 1-10 & 4 & 37-70.

TABLE 8
ESTIMATED ALCOHOL CONSUMPTION OF THE CANADIAN
DRINKING POPULATION
(15 Years of Age and Over)
1950-1970

Year	% of the Population Over 15 Who Drink	Estimated Drinking Population 15 Years and Over in 000's	Consumption per Drinking Adult (Gallons of Absolute Alcohol Contained)			
			Spirits	Wine	Beer	Total
1950	67.0	6,459.8	.596	.125	1.328	2.049
1951	67.6	6,596.9	.604	.125	1.364	2.093
1952	68.2	6,824.3	.628	.124	1.454	2.206
1953	68.9	7,039.4	.630	.123	1.450	2.203
1954	69.6	7,274.8	.618	.126	1.355	2.100
1955	70.3	7,493.3	.645	.128	1.401	2.174
1956	70.9	7,696.5	.676	.132	1.405	2.213
1957	71.6	7,985.8	.676	.137	1.400	2.213
1958	72.2	8,227.0	.711	.150	1.311	2.172
1959	72.9	8,474.8	.679	.147	1.383	2.209
1960	73.6	7,714.2	.681	.153	1.354	2.188
1961	74.2	8,938.4	.688	.157	1.353	2.198
1962	74.9	9,192.7	.702	.161	1.370	2.233
1963	75.5	9,447.4	.730	.171	1.399	2.301
1964	76.2	9,747.3	.707	.163	1.407	2.277
1965	76.8	10,051.4	.807	.191	1.392	2.390
1966	77.5	10,403.0	.818	.195	1.416	2.429
1967	78.1	10,786.8	.851	.203	1.416	2.470
1968	78.8	11,172.7	.820	.208	1.383	2.411
1969	79.4	11,546.7	.828	.237	1.417	2.482
1970	80.0	11,928.2	.851	.261	1.466	2.578

Notes: The % of the population who drink is based on a 1950 survey conducted by Canadian Institute of Public Opinion Surveys (Table 6) and on a 1970 survey quoted in the Annual Report (1970) of the Alcoholism and Drug Addiction Research Foundation of Ontario. The intermediate points were arithmetically interpolated and not found to differ appreciably from other survey data.

The estimated drinking population was calculated based on applying the foregoing percentages to Statistics Canada population figures. Consumption per drinking adult was then computed from published consumption figures.



Summary

Canadian drinking practices have been changing, as have other aspects of Canadian life. Prohibition has been tried and discarded in favour of more acceptable means of control. More people now drink, at least occasionally, and on average in terms of absolute alcohol, they drink about 25 percent more than they did in 1950. Drinking patterns vary among the provinces, but in general, in terms of the total absolute alcohol consumed in Canada, beer accounts for the greatest proportion of consumption, followed by spirits and then wine. The purpose and use of the different beverages vary, with beer showing seasonal peak sales in the summer months, paralleling those of soft drinks, while whisky and wine are sold in greatest volume during the last three months of the year. The trend in Canada is towards increasing consumption of stronger alcoholic beverages such as spirits and wine. This shift in consumption patterns follows a post-war trend which is general throughout Canada and the United States.

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Chapter III

International Comparisons

Consumption Levels

In order to view current patterns of consumption and related factors in a broader perspective, comparative data have been compiled for twenty-nine nations, including Canada, the United States, most European nations, Australia, New Zealand, Israel and Japan. (Countries in South America and Africa are not represented, nor are most Asian countries.) This analysis was supported by data gathered through visits to most countries in Western Europe, also Czechoslovakia and Poland.

The annual per capita consumption of the main types of alcoholic beverages used in the twenty-nine countries is shown in Table 9. Data is presented for the year 1970 and represents a current comparison of the level of drinking and type of beverage consumed.

France has the heaviest alcoholic beverage consumption, with about two and one-half times the per capita consumption of Canada. France had also been the world's largest wine consumer, but by 1970 was slightly exceeded in this regard by Italy. It is interesting to note that France is also one of the world's larger consumers of spirits. Other nations with high per capita alcohol consumption (over 2 gallons of absolute alcohol per year) are Spain, West Germany, Switzerland, Luxembourg, Hungary, Austria and Portugal.

Canada might be described as a middle nation in terms of the amount of alcohol consumed - it is somewhat below the average consumption level shown in Table 9 and consumes more of beer than the other beverages, but it also ranks high in terms of spirits consumption on an international basis. Canada's neighbour, the U.S.A., consumes about the same amount of alcohol on a per capita basis, but takes more in the form of spirits and wine and less in beer. Americans consume 1.58 gallons of spirits annually (about 30 percent higher than Canadians) and rank high internationally in this regard.

On the low end of the scale are countries such as Israel, Norway, and Finland, with per capita consumption of less than one gallon of absolute alcohol per year.

The high beer consuming nations are countries such as West Germany (which is also high in spirits), Czechoslovakia, Belgium, Luxembourg, Australia and New Zealand. England consumes a high proportion of beer but, on an absolute basis, its per capita consumption of alcohol in beer is similar to Canada's.

European Survey

In 1972, fourteen European countries were visited to gain first-hand knowledge of drinking practices and of the attitudes and policies of each government towards the taxation and control of alcoholic beverages.

TABLE 9
PER CAPITA CONSUMPTION OF ALCOHOLIC BEVERAGES AND
RANKING IN ORDER OF MAGNITUDE FOR 29 COUNTRIES
(All Consumption Figures in Imperial Gallons)
1970

Country	Total Absolute Alcohol Consumed Per Capita gallons	Per Capita Consumption			Ranking of Country by Consumption of Beverage Type		
		Beer	Wine	Spirits	Beer	Wine	Spirits
		gallons as consumed					
France	3.79	9.09	23.54	1.28	18	2	10
Italy	3.04	2.49	24.64	0.93	27	1	17
Spain	2.66	8.47	13.53	1.55	19	4	5
West Germany	2.65	31.05	3.72	1.63	1	13	2
Switzerland	2.36	17.18	9.22	1.03	10	5	15
Luxembourg	2.24	27.94	8.14	1.05	4	8	14
Hungary	2.23	13.07	8.29	1.48	14	7	6
Austria	2.22	21.71	6.84	0.78	9	9	21
Portugal	2.07	2.93	15.95	0.03	26	3	29
Czechoslovakia	2.00	30.78	3.21	1.30	2	15	9
Belgium	1.83	29.00	3.19	0.73	3	16	22
Australia	1.82	27.08	2.00	0.58	5	17	26
Yugoslavia	1.64	5.83	5.92	1.60	24	10	3
New Zealand	1.63	25.28	1.20	0.58	6	21	27
Denmark	1.50	23.87	1.30	0.70	7	19	23
Canada	1.45	16.36	0.91	1.20	11	24	11
United States	1.41	15.40	1.09	1.58	12	23	4
Romania	1.39	4.82	5.08	1.33	25	11	8
Bulgaria	1.32	7.70	4.25	1.05	21	12	13
Sweden	1.27	12.67	1.41	1.45	15	18	7
Japan	1.23	6.29	3.61	0.78	23	14	20
Netherlands	1.22	12.63	1.13	1.13	16	22	12
Poland	1.19	6.91	1.23	1.75	22	20	1
England	1.12	22.24	0.82	0.50	8	26	28
Ireland	1.10	14.76	0.35	0.80	13	29	19
Greece	1.06	2.07	8.80	0.65 est.	29	6	25
Finland	0.99	10.74	0.90	1.00	17	25	16
Norway	0.80	8.09	0.51	0.85	20	28	18
Israel	0.46	2.29	0.78	0.65	28	27	24
Average	1.71	14.44	5.57	1.03			

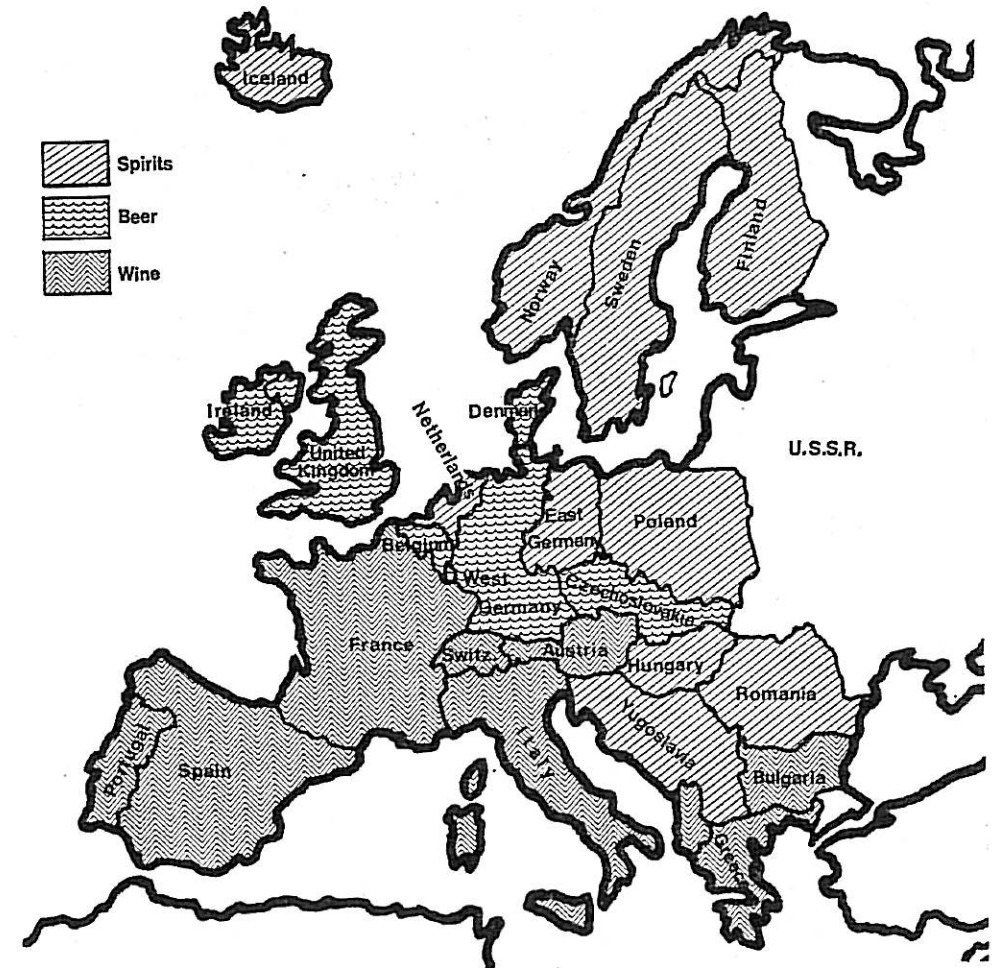
Source: Produktschap Voor Gedistilleerde Dranken (Dutch Distillers Association). Per capita consumption of spirits in this publication is expressed in terms of absolute alcohol, while beer and wine are shown in terms of gallons as consumed. For consistency, the per capita consumption of spirits was converted to gallons as consumed as well, at an average strength of 40% alcohol by volume.

The countries visited were: Austria; Belgium, Czechoslovakia, Denmark, Finland, France, Italy, the Netherlands, Norway, Poland, Sweden, Switzerland, United Kingdom, West Germany.

In spite of time constraints and language problems, in most cases an appreciation was obtained of the manner in which alcoholic beverage consumption is perceived in each political jurisdiction and the taxation and control practices which have been instituted.

Many factors have fashioned European drinking patterns - climate, agricultural crops, economic wealth, culture, religion, temperance movements, political influences and so on. However, in spite of the many varied influences, Europe can be divided into three fairly distinct areas in terms of drinking patterns. This is possibly best summarized by means of the following map.

FIGURE 4
DRINKING PATTERNS IN THE VARIOUS AREAS OF EUROPE



The countries have been classified as beer drinking, wine drinking or spirits drinking based on the category in which they ranked highest, as shown by the calculations and rankings in Table 9. For instance, Sweden ranks seventh in consumption of spirits but much lower, comparatively, in beer and wine and is thus classified as a spirits country. England, on the other hand, ranks eighth internationally in beer consumption and is among the lowest in terms of wine and spirits, and is therefore classified as a beer country. For purposes of this report, the Study Committee has adopted this operational definition in order to categorize these countries.

Drinking Patterns in Europe

Wine Drinking

Of the fourteen countries visited in 1972, and described in this report, Italy, France, Austria and Switzerland are classified as wine consuming countries.

ITALY in 1970 consumed on a per capita basis the most wine of the four countries being considered, a position that was held by France until a few years ago. Spirits consumption is not high in Italy and beer consumption is extremely low. The most distinctive feature of the Italian drinking pattern is that wine is ordinarily consumed with meals in the family setting. Drunkenness is not condoned and is considered to be more rare in Italy (2,4,14) than in some other wine drinking countries.

FRANCE has almost the same level of consumption of wine as Italy, but considerably higher spirits and beer consumption and consequently a higher alcohol intake – the highest in the world. Southern France resembles Italy in that it consumes chiefly wine, but in northern areas beer and spirits are also drunk. While much wine and some beer are consumed with meals, more alcoholic beverages generally are consumed between meals and away from family surroundings than in Italy. In addition, the French view drunkenness with a certain degree of levity and it is believed that drunkenness is much more prevalent in France than in Italy (14).

SWITZERLAND is the third wine consuming country. The Swiss in 1970 drank more wine than the Austrians, about 20 percent less beer and considerably more spirits. The drinking customs among the Swiss German, the Swiss French and the Swiss Italians more or less parallel the cultural links of the three groups.

AUSTRIA, which ranks behind Portugal, Spain and others in wine consumption, drinks less than one-third as much wine as Italy and France, but considerably more beer. The consumption of spirits is relatively small, but with the large amounts of beer and wine drunk, the total intake of alcohol is high, although not as high as that of Italy and France.

Beer Drinking

The countries visited which fall into our beer drinking classification are West Germany, Czechoslovakia, Belgium, Denmark and the United Kingdom.

GERMANY: Beer is the traditional drink of the German people, but they are also rapidly approaching the top of the list of spirits drinkers. Also, their consumption of wine is relatively high. Of the fourteen countries being discussed, only France and Italy have a higher consumption of alcohol. A large part of the alcoholic beverages consumed in Germany is taken between meals.

CZECHOSLOVAKIA now has one of the highest beer consumption levels in the world and stands in a middle position for both spirits and wine consumption. Much of the beer consumed is taken with meals, even to some extent at breakfast time. Most of the drinking is done outside the home. The presence of women in the pubs has been somewhat limited thus far and drunkenness is accepted among men with a good deal of tolerance (16).

BELGIUM has a high per capita consumption of beer – probably the highest in the world, if the weak 'bière de ménage' was included in the statistics. Belgians consume relatively small amounts of spirits, but medium amounts of wine. They start drinking at a fairly early age and the first liquor they consume is usually table beer at home with the family at the noon meal (6). They are often described as sociable people who like to drink on many occasions.

DENMARK also has an above-average beer consumption. The Danes drink about the same amount of spirits as the Belgians and less than half the wine. Unlike the other Scandinavian countries, there appears to be little preoccupation with alcoholic beverages. They seem to be considered in the same way as any other food or beverage.

ENGLAND ranks eighth in the consumption of beer out of the twenty-nine countries listed, twenty-eighth in the consumption of spirits and twenty-sixth in the consumption of wine. It is estimated that 85 percent of all beer consumed is drunk in the pubs, a factor which is considered to provide a social control over over-indulgence. The British public house holds a unique place in society in England, and the availability of beer and other alcoholic beverages is considered to be only one of the amenities which it provides (10).

Spirits Drinking

The five remaining countries – Poland, Sweden, the Netherlands, Finland and Norway – can be classified as the spirits drinking countries although only one of them, Poland, has the majority of its consumption of alcohol in the form of spirits. They are not necessarily the countries which consume the largest amount of spirits (a country such as West Germany which is considered to be a beer country has a higher consumption of spirits than any of these five countries with the exception of Poland) but they have a consumption of spirits higher than beer or wine in the ranking system we are using.

POLAND has the highest consumption of spirits in the world with the possible exception of Russia. (Russia is a country which was not visited, but 1962 data from the Dutch Distillers Association indicates per capita consumption of 7.14 litres of vodka – about 0.814 gallons of absolute alcohol.) The Poles drink a little more wine than Canadians do, but they consume a relatively small amount of beer. Social drinking is common in Poland and men drink much more in the company of friends than they do in the family circle. There is a great social pressure on the individual to drink and the tendency toward getting drunk is similar to that in Finland. Based on an inquiry of a few years ago, the average man in Poland becomes intoxicated thirty-three times a year (17).

SWEDEN abolished the rationing system in 1955, and its consumption pattern has changed over the years under the influence of this and other changes in policy.

Beer restrictions were liberalized in 1959, and a new mid-strength beer was introduced in 1965. The intake of spirits has been constant over the past ten years, while consumption of beers and wines has increased due to low prices in relation to increased spirits' prices. An active public information and advertising policy has also been adopted to encourage moderation and also to discourage use of spirits. The old traditional way of consuming straight brannvin, the most popular of the spirits, is disappearing.

THE NETHERLANDS ranks twelfth among spirits countries, sixteenth among beer countries and twenty-second among wine countries. Its consumption of spirits as a percentage of total alcohol consumption is considerably lower than in the other spirits countries. Drinking of alcoholic beverages has never been integrated with the Dutch eating habits to any extent (8). Social drinking habits are linked with hospitality, social intercourse and entertaining. The habit of drinking spirits straight is disappearing and mixed drinks are becoming more popular, particularly among the younger people. The Dutch are not tolerant of drunkenness.

FINLAND in recent years changed its legislation and beer sales have increased to a point where beer has approximately the same level as the consumption of spirits in our international ranking. Drinking in Finland has been characterized by isolated bouts of heavy drinking rather than continuous moderate drinking (9). Alcoholic beverages are rarely consumed with meals at home and liquor is not often kept in the home.

NORWAY ranks eighteenth in consumption of spirits, twentieth in beer and twenty-eighth in wine. Its overall consumption of alcohol is not high. However, there is a great deal of illicit production of alcoholic beverages (3) and it is believed that consumption is at least 20 percent higher than that reported.

The tendency in Norway to drink spirits, "strong and pure" is gradually disappearing. Beer and wine are consumed with meals on occasion, but spirits seldom accompany meals.

European Control and Taxation

In all countries visited, there is some form of special control legislation over the production and distribution of alcoholic beverages. In addition to special taxes, most governments regulate the minimum age for drinking and also impose retail licensing, a government monopoly on sales or production, and regulation of the days and hours of sale of alcoholic beverages.

In most countries visited, a distinction is made between the licensing and control of brewed or fermented beverages, as opposed to distilled spirits. In almost all instances, the regulations tend to limit spirits distribution and may require a higher drinking age for spirits. In some countries, a low strength beer may be sold with little or no restrictions.

Control Policies and Practices

Wine Drinking Countries

Licensing systems for sale at the retail level exist in all four wine drinking countries and differences are made in the types of licences issued, differentiating between fermented and distilled beverages.

ITALY has two main types of licences. The first permits the sale of beer and light wine and is granted by municipal authorities. One licence may be issued per 400 inhabitants. The second type, a "Superior Alcohol" licence, permits the sale of strong alcoholic beverages and is issued at the provincial level of government. Only one such licence per 1,000 inhabitants is permitted.

Under the Italian Criminal Code it is apparently illegal to sell alcoholic beverages to anyone under the age of 16 years. However, it is a common sight in restaurants to see children sharing a bottle of wine with their parents.

FRANCE has the most complex licensing system. Four main types of licences are issued.

1. non-alcoholic beverage licence;
2. fermented beverage licence which allows sale of beer, cider and most wines;
3. restricted beverage licence which allows sale of beer, cider, wines, liqueurs and aperitifs with not more than eighteen percent alcohol;
4. full beverage licence which allows sale of all alcoholic beverages.

The result of this kind of differentiation results in more outlets for fermented (or brewed) beverages than for distilled ones in all wine countries, but licences of all types are granted quite freely, for consumption both on and off premises.

France makes a distinction between beverages as regards the minimum age for legally purchasing and consuming alcoholic beverages. There is a regulation entitled "Protection of Minors Against Alcoholism" (5) which makes it illegal for anyone below the age of 14 to buy or consume any alcoholic beverage. Fermented drinks, cider, beer and wines may be consumed by persons between the ages of 14 and 20 provided any person under 16 is accompanied by a parent. Consumption of strong liquors is not legal until a person has reached 20 years of age.

SWITZERLAND has a federal alcohol monopoly which carries out the objectives of the Federal Law on Alcohol which may be paraphrased as follows (7):

1. to protect public health by the reduction of the consumption of spirits;
2. to benefit the country's economy;
3. to obtain a revenue which must be employed for social purposes.

The Swiss monopoly deals only with spirits. Beer and wine are manufactured and sold through ordinary channels.

AUSTRIA also has an alcohol monopoly which buys and sells all spirits produced within the country, but no such control is exercised with regard to beer or wine.

Beer Drinking Countries

The beer countries, West Germany, Czechoslovakia, Belgium, Denmark and United Kingdom have similar controls to those described for the wine countries.

GERMANY, for example, requires that some spirits be distributed through an official government agency. There are restricted and unrestricted licences on the basis of the type of beverage handled. Again, in connection with youth protection, beer may be sold in pubs and taverns to persons 16 years and over if they are accompanied by an adult. The normal age for drinking all alcoholic beverages is 18 years.

CZECHOSLOVAKIA's alcoholic beverage production and distribution are carried out by a state monopoly. Most beverages are easily available, but there are regulations which restrict the sale of spirits in some outlets such as "public bars". In places such as stadiums or sporting areas, no beverages stronger than middle beer may be sold and in canteens on industrial sites, only weak beer may be kept for sale.

BELGIUM allows all alcoholic beverages to be purchased from grocery stores and super-markets. Spirits and wine may be purchased for home consumption from specialty shops as well, but spirits are prohibited for on premise consumption.

ENGLAND and DENMARK, the two remaining beer countries, seem to fall into a category of their own. There is virtually no distinction made in the treatment of distilled beverages as opposed to fermented beverages as far as government regulations are concerned. This is interesting in view of the fact that they are two countries whose drinking patterns were changed by government intervention. They are predominantly beer drinking and now consume relatively small amounts of either spirits or wine.

Spirits Drinking Countries

Of the remaining five countries that have high consumption of spirits relative to their consumption of other beverages, four have control systems which have much in common. These are the four European countries with the greatest government involvement. The Netherlands is the exception.

The three Nordic countries have government monopolies. There are strong temperance groups (but not prohibitionists) in these countries which have played a significant role in developing alcoholic beverage policy.

FINLAND has a monopoly system, the function of which is the production, buying and selling of spirits and wine and the buying and selling of strong beer. The manufacture of beer is in private hands and beer, other than strong beer, is sold through food stores.

Finland has two separate liquor acts, the Alcohol Act and the Medium Beer Law Act which were passed in 1968, apparently to correct a basic flaw of the old liquor act which imposed the same restrictions on all alcoholic beverages (12).

The Medium Beer Law Act has its own provisions for such matters as licensing, hours of sale and legal age which are different from those in the Alcohol Act.

NORWAY has a state monopoly as the sole producer, importer and retailer of wine and spirits in the country. The production and sale of beer is still in private hands, but is subject to strict government regulations. Consequently, there are many more off premise outlets for beer than for stronger beverages. Different provisions are made for each class of beer and what is known as Class I beer (up to 2.5 percent alcohol by volume) may be sold without any licence.

Norway is also one country where hours and days of sale vary according to the strength of the beverage. Sunday sale is not permitted for any alcoholic beverage, but spirits sales for on premise consumption are also prohibited on a Saturday, or on a day preceding a holiday.

Spirits may be sold and served to persons who are 21 years of age while for beer and wine the age limit is 18 years.

SWEDEN's system is similar in that it too has adopted a government monopoly system which embraces both wholesale and retail operations. Monopoly stores handle the sale of strong beer, spirits and wine, while other beer is usually sold by locally licensed food shops. On premise licences are classified by strength of beverage and include licences for the sale of only medium and light beer, for all beers, beers and wines, or for all alcoholic beverages. Again, there is a difference in the age limit for purchasing medium and light beer as compared with other alcoholic beverages for home consumption.

POLAND has a control pattern somewhat similar to that of the three Nordic countries. Production and distribution in this Communist country are, of course, a part of the state function. For home consumption, spirits and strong wines are sold in liquor stores, while beer and light wines are sold in grocery stores.

Certain types of establishments may not sell strong alcoholic beverages. Some of these are workmen's hotels, sports clubs, swimming pools, restaurants and bars in bus and train stations, kiosks, etc. Days of sale for strong alcoholic beverages are also more restricted.

The regulation concerning legal age for the sale of alcoholic beverages makes a distinction based on age in that no alcoholic beverages stronger than 4.5 percent may be sold to persons under 18 years of age.

THE NETHERLANDS takes an approach to alcohol control which resembles more closely that of beer drinking countries. Their licensing regulations distinguish between strong and weak alcoholic beverages. No licence is required to sell beer and wine under 15 percent alcohol by volume for home consumption, but a licence is required for spirits. Establishments may be licensed to sell just fermented beverages or all alcoholic beverages.

Beer and wine may be bought for on premise or home consumption at the age of 16, but for stronger alcoholic beverages the age is 18.

To summarize control practices, Table 10 indicates the practices used which differentiate among alcoholic beverages in the countries which were visited.

Tax Levels

All the countries visited have special taxes on most alcoholic beverages. In all cases the taxes are applied to each type of beverage as a separate and distinct commodity. The rates and manner of application within each country differ depending on the type of beverage and in many cases, its strength. In spite of the wide variation in the level of taxes per gallon of alcohol from country to country, a pattern emerges in the relationship among the taxes on the three beverages.

Table 11 shows that the tax per gallon of alcohol contained in spirits ranges from \$8.35 in Austria to \$89.55 in Sweden - a large difference in terms of the effect on the consumer of the alcoholic beverage. (In most cases, the rates selected are for the most common brand or types of beverage consumed within each category.)

TABLE 10
CONTROL PRACTICES WHICH DIFFERENTIATE BETWEEN
ALCOHOLIC BEVERAGES

	Selective Use of an Alcohol Monopoly	Types of Licences Issued	Days and Hours of Sale (Significant Differences)	Legal Drinking Age	Existence of a Light Beer Category With Very Different Control Treatment
<i>Wine Countries</i>					
Austria	●				
France		●		●	
Italy		●			
Switzerland	●	●			
<i>Beer Countries</i>					
Belgium		●			●
Czechoslovakia	●	●			
Denmark					●
England					
West Germany	●	●		●	
<i>Spirits Countries</i>					
Finland	●	●	●	●	●
Netherlands		●		●	
Norway	●	●	●	●	●
Poland	●	●	●	●	
Sweden	●	●		●	●

The taxes shown in Table 11 are the special alcohol taxes only - in many cases additional value-added taxes or general sales taxes are imposed on all commodities including alcoholic beverages.

Though the level of tax varies, the general relationship of the tax on alcohol in spirits to that of beer averages approximately three and one-half to one for all countries visited.

To place these tax levels in perspective, Canada's tax on alcohol in spirits (including the weighted average of provincial special taxes) is approximately \$62.00 per gallon which is about double the rate in the most populous states of the U.S.A. and is above the median tax rate in the European countries surveyed. Canada's ratio of taxation of alcohol in spirits to alcohol in beer is about 3.6 to 1 - this is similar to the U.S. ratio and somewhat higher than the most common European ratios. Those European countries visited which have the lowest spirits/beer tax ratios are Austria, Denmark, Italy and Poland.

TABLE 11
SPECIAL TAXES ON ALCOHOLIC BEVERAGES*

	Taxes on Alcohol			Comparison of Taxes	
	In Beer	In Table or Light Wine	In Spirits	Ratio of Tax on Wine to Beer	Ratio of Tax on Spirits to Beer
	\$	\$	\$		
Austria	3.20	nil	8.35	0.0	2.6
Belgium	4.60	5.08	22.44	1.1	4.9
Czechoslovakia	10.57	7.00	35.34	0.7	3.3
Denmark	31.59	32.17	52.30	1.0	1.7
England	24.19	29.75	79.23	1.2	3.3
Finland	Based on % mark-up				
France	1.49	.73	24.05	0.5	16.1
Germany	4.00	nil	21.89	0.0	5.4
Italy	10.81	nil	19.20	0.0	1.8
Netherlands	6.80	5.08	23.96	0.7	3.5
Norway	28.86	21.42	81.26	0.7	2.8
Poland	Based on % mark-up				
Sweden	27.33	26.27	89.55	1.0	3.3
Switzerland	2.91	nil	15.50	0.0	5.3
Canada-Federal Est. weighted average for provinces†	8.40	4.58	24.96	0.5	3.0
Total	8.73	21.95	37.02	2.5	4.2
U.S.-Federal	17.13	26.53	61.98	1.5	3.6
Illinois	7.93	1.70	25.25	0.2	3.2
New York	1.91	2.31	4.81	1.2	2.5
California	1.21	1.00	7.82	0.8	6.5
	1.09	.10	4.81	0.1	4.4

*In dollars per gallon of absolute alcohol contained in each beverage, as per most recent data available during 1972 visits.

†Canadian provincial figures include only the proportion of sales taxes which exceeds the general rate charged on all products and are based on fiscal 1971 data. The rate for wine includes tax revenues for fortified wines.