

"The year 1928," in the words of the board, "has been a prosperous year. The number of tourists has largely increased. The large fairs and exhibitions were particularly well attended, bringing many strangers to Ontario. The sale of liquors has increased."

Nearly \$49,000,000.

Over the entire fiscal year the total sales amounted to \$48,995,591.19, of which \$14,649,666 were made through breweries and brewery warehouses. Gross trading profit for the twelve months was \$9,869,020.12, and the net trading profit \$7,019,944.39. After paying \$7,225,000 to the Provincial Treasury, the board still has a surplus of \$607,848.57.

Total number of permits issued was 493,143, and temporary or tourist permits aggregated 88,135. Forty-four licenses were issued to brewers and 1,265 for brewery warehouses. Permits for native wine, sacramental wine, vendors, non-potable alcohol, and standard hotels totalled 347. Thirty-nine new stores and 27 new brewery warehouses were opened during the year. There are 102 brewery warehouses operating throughout the Province at present.

Enough Breweries, Says Board.

Source of supply of beer for the people of the Province is now considered sufficient by the board. "The board is convinced," reads the report tabled yesterday, "that the number of breweries and the number of distilleries now authorized are sufficient and more than sufficient to cover the Ontario field, and that no new undertakings should be incorporated, either by Dominion or Provincial authority."

For purposes of improving and strengthening both the administration and enforcement of the Liquor Control Act, Sir Henry Drayton and his board recommend, in effect, to the Government, that:

1. The penalty clause be amended so as to provide that in all cases where liquor seized carries the board's seals and exceeds \$50, and in all cases where such liquor is without such seals, a three-months sentence be imposed in addition to the fine, unless the accused, to the satisfaction of the court, establishes the manner in which the liquor was conveyed to the place where it was found, and by whom, as well as full particulars of the vendor or vendors, and of the whole transaction.

Seizure of Papers.

2. Appropriate amendments be made so that seizures of papers, etc., can be made under the Liquor Control Act as fully and completely as under the Criminal Code itself.

3. Some greater discretion be left to Magistrates in the disposal of cases of poor people charged with drunkenness on both first and second offenses.

These recommendations, Attorney-General Price stated last night, were now under consideration by the Government, and probably would be adopted, in view of their "minor nature."

In support of his first recommendation, Chief Commissioner Drayton points out that "bootlegging and short-circuiting will never be really stopped until proceedings are effectively taken against those supplying the liquor in the first instance."

"From time to time," he explains, "large seizures are made of liquor which was claimed to be held for export. The usual proceedings taken are to charge 'illegally having' under the act. Constables are unable to prove 'keeping for sale' by actual evidence, and Magistrates usually refuse to give effect to the presumption that the having of a large quantity of liquor under certain circumstances was for the purpose of sale. The liquor is, of course, confiscated and the holder fined under the act. This is not at all a satisfactory solution. It does not enable the authorities to trace the liquor to its source, and the source of supply is the matter of prime importance to be established in order to stamp out illegal practices."

Search Warrant Power.

In asking that seizures of documents be brought within the jurisdiction of the L.C.A., Sir Henry reports:

"Seizures, in the past, have been made of large quantities of liquor under the Ontario Temperance Act, which seizures were of necessity abandoned owing to proof of ownership by an American citizen and on the ground that the goods were in process of export. Under the local acts, just as

much under the Liquor Control Act as the Ontario Temperance Act, officers with search warrants could only seize and take intoxicating liquors. They could not seize and take books showing the course of business and papers indicating ownership. The only reason why the raids of last summer have succeeded where others have failed, was that charges were laid under the Criminal Code, which enabled search warrants to be issued under the code, under which the police could seize—and did seize—not only the intoxicating liquors found, but also all books of account, documents and papers. The possession of these papers rendered impossible the effective defenses of the past. It is submitted that the appropriate amendments should be made so that the seizures of papers, etc., can be made under the Liquor Control Act as fully and completely as under the Criminal Code itself."

Discretion to Magistrate.

And on the matter of greater consid-

eration for "poor people" offenders, the board's argument reads:

"Attention should also be called to the existing penalties for drunkenness. The penalty for the first offense is \$100 and in default imprisonment for not more than 30 days. For the second offense, to a penalty of not less than \$200 nor more than \$500 and, in default, to imprisonment for not less than two months, nor more than four months. The greater majority of these cases are poor people, whose families can ill afford the loss of the fine or the loss of a month's support. Drunkenness is now regarded as an offense and it ought to continue to be so treated and convictions always secured, but the board is of the view that some greater discretion might well be left to the Magistrate."

According to Dominion statistics furnished the board, there has been reduction in consumption of domestic distilled liquors in Ontario, as between 1915 and 1928, of 620,734 gallons, or 37 per cent. "In view of the increased population," reports the board, "and the fact that 1928 was a very prosperous year, and 1915 much the reverse, the official figures indicate a very large decrease in the consumption of alcoholic liquors." But in the same breath, so to speak, the board vents the opinion that too much reliance cannot be placed on statistics in view of the illegal practices that have grown up and are now in process of eradication. No one, it further states, can have any definite information of what the consumption of liquor has really been of recent years, for the following reasons:

"First: The exports of 1915 were made in bond and there was no short-circuiting in Ontario of liquors presumed to be for export. This has taken place to an amount entirely inascertainable in 1928. It is hoped that the new regulations of the Honorable the Minister of National Revenue, for the better control of the export business, will relieve this short-circuiting. In proportion to the efficacy of such regulations an increase may be expected in the gallonage entered for consumption in Ontario.

Some Stocked Yet.

"Second: A large amount of liquors were stocked by people, who could afford to stock them, prior to prohibition. While in the majority of cases those supplies have been exhausted, they are not entirely exhausted, and to the extent that they still exist it will be reasonable to suppose that the total entered for consumption in Canada would proportionately increase after their complete disappearance.

"Third: While bootlegging on a grand scale by the big bootleggers could be and has been stopped and their great profits now enjoyed by the Province, there is still far more bootlegging on a small scale than there was in 1915—far more 'swamp' or 'moonshine' whiskey, and far more deleterious substitutes for alcohol than in 1915. It should also be noted that for Ontario alone the filings with the Department of Excise under which home-brew beer may be produced, reached the great total of 74,663, as of Oct. 31, 1927. The board have been unable to secure later figures from Ottawa.

"Illegal practices once gaining sway, and the safer methods of production and distribution worked out, the process of ending them is slow and difficult.

"The lessening and ultimate cessation of these illegal practices will again tend to transfer their unrecordable volume to the official figures, and thereby increase them; certainly to the extent liquor has been short-circuited and illegally produced in the Province, the official figures fall short of showing the actual consumption.

Reduction in Gallonage.

"The large reduction shown in gallonage will undoubtedly surprise many in view of the large sales of your board. The reason, however, of any misunderstanding is very plain. The board's results are in dollars, and indi-

cate retail prices, and there has been a very great increase in the price of whiskeys and other spirits. The Dominion tax has risen from \$2.40 per gallon of alcoholic content on imported liquors to \$10, while the Excise tax on domestic liquors has been raised to \$9. In addition to this, the Dominion sales tax of 3 per cent. is now applicable. As a result, the public today pays \$2.75 for the same domestic whiskey they purchased in 1915 for 75 cents per bottle, while the standard Scotch brands which formerly sold for \$1 per bottle are now sold for \$3.55.

"An equal dollar public sale, gross total, in 1915 to a like gross total in 1928 would mean that approximately three and one-half times as many gallons would have to be sold in 1915 as in 1928."

Another section of the report deals exhaustively with the export of liquor. Under present conditions, much liquor is shipped from Canada, ostensibly bound for Mexico and Cuba, etc., but never gets further than the United States. A lot of it is short-circuited back into Canada, where the bootleggers compete with the Liquor Control Board. The Dominion and Provincial authorities have given the matter careful consideration.

Rules of Export.

"Hereafter," says the report, "the movements of liquor for export from the Province must be made by a permit with the proper serial number issued by the Department of National Revenue. The board understands that at an early date the new regulations will cover all export docks in the Province and that docks at other points will also be reduced. It is hoped that a substantial relief will be obtained through these reforms and that short-circuiting, which has so undoubtedly taken place, substantially reduced."

It is pointed out that in the past few years the use of rubbing alcohol, canned heat, and other dangerous substitutes for genuine alcohol has grown. People desiring the effect of real drunkenness as quickly, as cheaply, as possible, use these substitutes. The question has been taken up with the Dominion authorities, who are trying out other prescriptions, which, short of poisoning and destroying the effect of the proper application of rubbing alcohol, will render the mixture so unpalatable as to be undrinkable.

"The board is of the opinion, however," states the report, "that these attempts will fail, and is now considering treating the sale of this rubbing alcohol which is carried on by the druggists along the lines of sales of noxious drugs."

Grain alcohol, proper and necessary as it is for medicinal purposes, is extremely dangerous, points out the report. An alarming amount of this was being used and the situation has been met by the sale of "whisky blanc," which is simply grain alcohol reduced to a strength of 48 per cent. underproof—a reduction of 133 degrees over the product previously sold. The character of the drink remains as it was, but its dangerous strength, which has resulted in deaths, has been entirely removed.

Dominion Taxation

Dominion taxation, the report states, continues to be the greatest expense attendant upon the board's operation. During the past fiscal year more than \$15,000,000 was paid the Federal Government. The board claims to make 16¼ cents on a case of beer, while the Dominion collects 42 cents taxes on the same amount.