

WINE IN CANADA

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WINE IN CANADA

A STUDY OF THE ECONOMIC, FISCAL AND LEGISLATIVE
ASPECTS OF THE PRODUCTION AND SALE OF WINE IN

C A N A D A

SUBMITTED IN PART FULFILLMENT OF REQUIREMENTS FOR MASTER OF
COMMERCE DEGREE

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Chapter 1.

THE PHYSICAL BASIS OF THE PRODUCTION OF WINE

(a) Different Kinds of Wines and their manufacture.

"Wine is the living blood of the grape".^{1.} It is the suitably fermented juice of freshly gathered grapes. There is no such thing as unfermented wine, even if the word "wine" is sometimes used in connection with other fruits to denote a beverage which has fermented.

There is a great deal of water in the juice of grapes - about 80% ^{or} ~~and~~ more of its total weight, - plus anything between 10 and 15% of grape-sugar, which, when duly fermented gives between 10 and 15% alcohol.

This alcohol percentage varies greatly according to the different species of grapes, and climatic conditions which in turn vary according to the geographical position of each vineyard and the atmospheric variations of the year.

The varieties of wine are very numerous. There are wines from the palest shade of greenish yellow to the darkest red, almost blue. Some are dry, some sweet, still or sparkling - some are ready to be consumed immediately after fermentation, some only five, ten or fifteen years after.

"Natural" wines are made from normal grapes, the juice of which is allowed to ferment naturally, with neither hindrance

1. Encyclopaedia Britannica.ⁿ

nor interference, until practically the whole of its grape sugar has been transformed into alcohol, which remains in the wine, and carbon dioxide, which escapes into the air (except in the case of champagne).

Natural wines, made of normal grapes, normally fermented, belong to two classes according to the different types of grapes which soil, climate and situation have made it possible to grow. They are either "beverage" wines, in French "vins ordinaires" or "fine" wines, in French "vins fins".

95% of the world wine production is beverage wine, mostly consumed right where it is produced, being generally the cheapest obtainable beverage there.

"Ordinary" wines have a fair, even high percentage of alcohol, a good colour and plenty of body, but they rarely improve with age, they lack the "breed" which gives the fine wines their "bouquet". They are usually drunk with water and are cool and refreshing.

"Fine" wines are perfectly balanced wines, which possess above all the inestimable quality which is called "breed", in French "race". There is very little fine wine made and ^{its} ~~their~~ price is generally very high.

"Fortified" wine is another type of wine, a wine to which a certain percentage of brandy or distilled wine has been added in order to raise its alcoholic strength. This addition is made either during or after fermentation of the grape juice. Such a union, although the contracting parties are closely related, cannot be called "natural". A natural wine can mostly be consumed right after fermentation, but a fortified wine must always be kept some time.

The fortifying of wines is a perfectly legitimate practice provided however, that only sound wine be fortified, and that only spirit distilled from wine be used for the purpose, and provided also, that the wine so fortified be improved thereby.

Fortified wines are usually made out of the most suitable species grown on the most suitable of sunny lands, which yield grape juice so rich in grape sugar, that it is better able to hold its own against the intruder, producing slowly and under difficulties, alcohol of its own, which blends with the added alcohol.

We have two main kinds of wines - "Sparkling" wines and "Still" wines. There is no need to go into details of fabrication here, all we have to know is that all wines, fermented in aired vessels, are still. A wine becomes a sparkling wine either by letting it ferment in a bottle, thus keeping all the carbon dioxide in it, or by artificial addition of carbon dioxide which should be natural CO^2 produced by grape fermentation, but mostly is not. Sparkling Moselle and most of the sparkling wines, with the exception of high grade champagnes, are made this way. May we add that this fermentation in the bottle is a very long process, lasting anywhere between three and five years, which, due to immobilization of capital is very expensive, therefore, in order to obtain high enough prices to cover the interest charges, only very fine wines are "champagnized".

In order to get a good "mousse" only the "lighter" types of wines are suitable, wines with greater "finesse" than "strength",

with greater "breed" than "body", with an attractive, but not aggressive bouquet. The carbonic acid gas may be said to intensify the qualities, good or bad, which the wine possesses. If the wine is grown upon a soil so poor, under climatic conditions so difficult, that large yields are out of the question and grapes of the finest breed alone can be reared and are grown for quality, not for quantity, then alone can very fine wines be made, which will still be finer when made into sparkling wines.

Wines having a high alcoholic percentage cannot be made into sparkling wines, for the alcohol kills the "mousse" and the wines remain flat. Carbon dioxide in the wine acts as a preservative against any possible second fermentation, which is likely to happen, especially when the wine is "dosé", that is when a certain percentage of cane sugar has been added to it in order to sweeten it, to make a "demi sec" out of a "dry" wine.

(b) When and how Vines can be grown and the factors improving the quality of the wine produced.

Until the ravages of the Phylloxera made it important to secure a more vigorous stock, the ordinary grape vine (*Vitis vinifera*) was the only species planted to any extent in Europe. The "Encyclopedia Americana" says that:- "Owing either to inherent weakness of the plant or to lack of suitable climatic conditions, varieties of this species do not thrive in the U. S. A. except in California and in the extreme South West."

The vine attains a very great age, continuing fruitful for at least 300 to 400 years (this has changed since the spread of the Phylloxera, and nowadays grafted vines are generally only

grown for twenty years, for industrial purposes).

Historical Outline.

It is doubtful of what country the grapevine is a native, nor is it known at what time, certainly very remote, its cultivation was introduced in Southern Europe. It seems probable that it is indigenous of the hilly countries South of the Caspian Sea, where its growth is very luxuriant.

Both the cultivation of the grape and the making of wine are of the most remote antiquity, as appears from the Scripture history of Noah, and from many passages of the most ancient authors. The mythological fable of the marches of Bacchus relates the extension of the culture of vines from Asia into Europe.

The earliest records of the manner of cultivating the vine are by the Roman authors Virgil and Columella. The vine was introduced into Southern France probably as early as into Italy. It is said to have been brought to Marseilles by the Phocaeans, about B.C. 600 and its cultivation was nearly co-extensive with civilization in all the countries near the Mediterranean.

A. D. 81 Emperor Domitian, fearing a scarcity of corn because too much land was occupied by vineyards, issued a restriction edict which later continued in force because ^{it was} ~~they~~ feared that the abundance of fine wines might tempt the barbarians to invade the country. The first vineyards on the Rhine and Moselle were planted by the Emperor Probris (A.D. 281). Under the Merovingians the culture of vines was extended greatly in France and Germany. The Huns, around 451, brought from Pannonia the art of cultivating the grape and the Hunnish wines in the Rhinelands

were long in high repute. In the Middle Ages the monks were the first to plant vineyards in many parts of Europe.

In America.

The early settlers of North America found grapes growing wild, but for a long time little attention was given to their cultivation. From 1620 to 1700 both in Virginia and Pennsylvania many efforts, which resulted in failures, were made to grow European varieties, but about 1771 the cultivation of these sorts was successfully established on the Pacific Coast. Nearly all varieties grown nowadays have been originated since 1860. Many hybrid varieties, some apparently of great value, have been developed.

Some varieties succeeded over a large area and under widely differing conditions of soil and climate, but many sorts, valuable in certain localities, do not thrive elsewhere. There is, however, no difficulty in finding kinds of fair quality and a sufficient degree of hardiness for any portion of the U. S. A.

Since the ravages of Phylloxera the more delicate European kinds are grafted on American stocks which thrive in spite of the disease, although the fact that the plant is grafted weakens it considerably from other points of view.

Though vines will grow in a great variety of soils, it thrives best in soils rather light and dry. A limestone or granite formation is desirable.

The vine is a hardy plant as far as endurance of severe winter frosts is concerned, but it requires, for the ripening of its wood as well as of its fruit, a considerable summer heat continued for several months. A moist climate is unsuitable for

it. It produces abundant fruit in warm climates such as India, but the juice passes too rapidly into acetous fermentation to be used for making wine.

(c) Physical factors influencing the finesse and quality of wines (in order of importance). 1.

Influence of the cépage. 11.

The "cépage" is the main factor. However good and adapted the soil might be, the wine obtained from good vine plants will always be superior to the wine of a lower grade vine plant. A good type of vine will never yield a bad wine, however unadapted the soil might be. If we want to get a good wine the essential thing is to grow high grade vine plants.

Influence of the Soil.

After the "cépage" the soil is the most important factor. There is no doubt whatsoever that every type of vine demands a certain soil, which will supply it with the aggregate of chemical substances it needs to thrive.

Influence of the Climate.

The climate only comes after the soil in importance. It is proved that certain vines growing in a temperate climate yield wines with the maximum of freshness, finesse and quality - ex - the "pinots" grown in Champagne. The wine they yield ^{becomes} ~~gets~~ inferior in quality the more South they are grown. As an opposite example

1. See Louis Robert "Les Vins Mousseux"

11. Cépage means vine plant or vine stock.

certain types of vines, adapted to a warm climate, will produce grapes which will never reach maturity if grown in a more Northern climate.

Influence of the Exposure of the Vineyard.

In the Temperate Zone as well as in the Tropical Zone the exposure of the vineyard has a great influence on the quality of the wine. In the Temperate Zone (Champagne, Rhineland, etc.) vines can hardly grow on the northern slope of a hill, but the nearer we get to the Equator (Algeria) the more favourable the Northern exposure ^{becomes} ~~gets~~. The best wines in the Rhinelands come out of vineyards on the Southern or South-Western slope of a hill; the finest wines in the Languedoc and Algeria are grown on hills facing North.

Influence of Altitude.

The elevation above sea-level or above a plain through which a river flows has a great influence too. Wines made from the same type of grapes grown on different altitudes are very different. It is very interesting to study the difference of quality of the wines grown on the slopes of the Etna crater in Sicily, where vines are grown up to an altitude of 4,500 feet.

The wines yielded by vineyards up to 120 feet above sea level are heavy, pasty and flat, they consist of alcohol "drowned" in water. At an altitude of 600 feet the same grapes, vinified the same way, produce a very different wine. At an altitude of 3,000 feet the wines resemble the best wines grown in Auvergne (France) and have a market price of over double the price received for the wines made lower down.

Influence of the Fertilizers.

The quality of the fertilizers used is quite important. The same vineyards will produce a very good wine if treated with appropriate fertilizers, and a very inferior wine if fertilized with badly prepared or incompletely decomposed manure. Fertilizer destined for vines should be two years old and the first grade vineyards undoubtedly owe part of their reputation to their mode of fertilization. Both animal and chemical fertilizers must be used, but only a small proportion should be chemical.

Influence of the Mode of Culture.

Vines growing too near to each other, only at a foot or so distance, cannot yield wine of the same quality as vines growing four to six feet apart, between which air, sun, heat and light can circulate easily and heat the soil properly. The mode of culture naturally varies with the climate. The more torrid the climate is, the more shade is needed to protect the grapes against the sun-rays and the burning winds. It is just the opposite in temperate climates. Vines should be cut high in a damp climate and low in a dry climate.

Besides the natural factors which influence the quality of wines, the way of making the wine out of the grape juice has a great influence - cleanliness, temperature of cellars, etc. Information about this is easily found in any technical book about wine. Moreover the fundamental way of treating wines does not change with climates. Details differ, but the fundamental principles remain the same.

(d) Canada as a Wine growing Country.

Can Canada become a wine growing country, or rather, will Canada be able to produce a wine of high enough a grade to satisfy even a "connaisseur" ? Due to climatic conditions vines can only be raised in the Niagara Peninsula and in the Okanagan Valley, for industrial purposes.

The Niagara Peninsula (From St. Catherine to Pt. Pelee) is between the 42nd and the 43rd degree of latitude North, situated farther South than the Bordeaux district in France, but two factors render the climate more extreme:-

- a. The cold streams coming from the Arctic Seas.
- b. The cold air currents, due to the rotation movement of the Earth, continually coming down from the regions of the Pole (N.W.) and which are not stopped by a range of mountains. 1.

The Okanagan Valley is very temperate, but wines do not thrive as well in a maritime climate.

In the Niagara Peninsula, wherein most of the Canadian grapes are grown, the general aspect is facing the waters of Lake Ontario and Lake Erie, and the so-called "mountain" or escarpment in the rear. These are well protected against North Winds, well drained, and fairly well exposed to the sun. The climate is milder due to the nearness of the lakes. 11.

The soil is limestone, clay and sand - all of them adapted to the culture of vines.

1. Information kindly given by Prof. Brouillette (Geography U. of M.)

11. "The grape in Ontario".

The growing season is short ~~though~~ - spring being late, and this climatic condition can only be overcome by planting earlier and quicker maturing varieties.

Both the temperature and the precipitations have a great influence on the culture of vines. The mean temperature and normal precipitation of both the Niagara Peninsula (St. Cath.) and the Okanagan Valley (Summerland) are:- 1.

		Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec
Nia. Pen.	M.T.	24	22	31	43	55	66	70	68	62	50	40	29
	N.P.	1.96	1.64	2.08	2.70	2.26	2.29	2.42	2.86	2.39	2.14	1.50	2.30
Mean Temperature = Degr. Fahr. Normal Precipitation = Inches.													
Okan. Val.	M.T.	25	29	38	45	56	63	70	68	60	48	36	28
	N.P.	.97	.94	.49	.58	1.42	1.49	1.18	.92	1.02	.68	.86	.92

See Graph In Appendix I.

In the Niagara Peninsula the climate is undoubtedly temperate enough. There is plenty of rain in April when the vine is starting to develop; May, June and July are hot and dry. The rain in August helps for the full development of the grape, especially when followed by a warm September.

In the Okanagan Valley there is one disadvantage which might harm the development of the grape - there is too much rain in May and June, the months of the year when the vines are blossoming. The rain fall is much smaller than in the Niagara Peninsula, but in a well drained vineyard it is not so much the amount which matters as the time when the precipitations occur.

1. "1931 Yearbook".

For comparison purposes, it is advisable to show a chart with the same items of precipitation and temperature in the most Western wine districts in France. The climate of Canada can of course not be compared to the climate of Southern France, but it can be compared to the one of Northern France. Suppose we compare the temperature variations and the rain precipitations of Pte. St. Maur, near Paris, to both the Niagara Peninsula and the Okanagan Valley. Paris, of quite a maritime climate, is the most western part of Northern France in which vines can be grown. The more inland we go, the dryer and warmer the summers ^{become} ~~get~~ and the colder and wetter the winters.

For Paris (Pte. St. Maur) 1912, ^{1.} (In the later issues the temperature and precipitations are not given) we find the following figures:-

Month	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug	Sep	Oct	Nov	Dec	
Temp.	36.15	38.55	42.65	49.9	55.4	61.7	65.0	63.8	58.5	50.1	42.5	36.9	Fahren.
Rain	1.50	1.15	1.58	1.65	2.07	2.31	2.22	2.15	1.96	2.33	1.81	1.75	Inches.

Average 1851 - 1900. ^{11.}

West of Paris the climate is too maritime to permit vine growing. The winters are colder in Niagara (-20°F) than in France (30°F), but the vines resist winter frost very well. The rainfall is the same in Eastern France and in Niagara. ^{111.} In

^{1.} "Annuaire du Bureau des Longitudes" Paris 1912.

^{11.} See Appendix I.

^{111.} Times Atlas.

July the temperature averages ~~around~~ 70°F in the Niagara Peninsula, as well as in the Champagne, in Alsace and in the Moselle.

The same graph showing the temperature (Isotherme) shows that the 50°F which goes through Northern France passes through Niagara Peninsula too. "Thermal Regions" in the New York Times Atlas puts both the East of France and the Niagara Peninsula under "Warm Summers and Cold Winters".

Emmanuel de Martonne shows that the Niagara Peninsula is situated where the "sub-mediterranean Climate" meets the "Continental Climate". Alsace and the German wine-producing districts are ^{also} on the meeting line of these two climates ~~too~~. 1.

In a nutshell, the climate, except for the longer winters, should not handicap the growing of finer brands of vines, although they ^{must} ~~have to~~ be of a type which develops later in Spring than the average Northern European plant.

1. Emmanuel de Martonne - Traité de géographie physique, Vol. 1, "Carte des Climats".

Chapter II.

LEGISLATIVE CONTROL OF ALCOHOLIC LIQUOR IN THE UNITED
STATES AND IN CANADA.

(A Brief Digest)

Chapter 11

LEGISLATIVE CONTROL OF ALCOHOLIC LIQUOR IN THE UNITED
OF AMERICA AND IN CANADA.

(A Brief Digest)

A temperance movement grew out of the humanitarian movement which became very powerful on the Continent in the 18th Century. They fought fiercely against slavery and all the evils of the time.

The original immigration to the United States consisted of Puritans, Quakers, ~~etc~~ (Mostly people who had left their Mother Country to be able to practice their moral principles in peace)

Now if we look up "Fortified Wines" in the Encyclopaedia Britⁿtanica we come across the sentence:- "Fortified Wines supply a real want, the want of a generous liquor that will dispell spleen in Northern latitudes, where the damp atmosphere and dark grey skies, are depressing and where the people's diet contains necessarily a much larger proportion of fats, the digestion of which is so much more laborious than that of the vegetable diet of the Southern races". The early American settlers agreed with this statement, but severely frowned upon drunkⁿeness. In America the Temperance Movement took, before ⁱⁿ ~~all~~ other countries, a legislative aspect. State after State passed laws prohibiting the sale and consumption of alcoholic beverages within their limits. 1.

1. See Appendix 11.

To understand how liquor laws and prohibition came about, it might be worth our while to digress and explain how this movement progressed. The origin of the population of Canada is the same as the origin of the population of the United States. The prohibition movement grew the same here as it did across our Southern border. Why did not Canada adopt Prohibition ?

Prohibition belongs to the same category of legislation as the prohibition to teach evolution, it is a measure of national moralization. The American has an unquenchable desire to "save" his neighbours. In the United States for a long time extra marital sexual relationship was the paramount of wickedness; the cigarette, billiards, dancing, ²²lacking way behind in the irate sermons of the Methodist ministers. But, since the war, intemperance has undoubtedly usurped the sex question's place in these anathemas. 1.

As a federal interdiction law the Prohibition is the daughter of the war. Without the exceptional concurrence of circumstances which happened at the end of the war, license laws might have been tightened up and local Prohibitions passed, but Federal Prohibition would never have gone through. The 18th Amendment is really the result of many local, municipal and state laws passed in many parts of the United States ever since 1846. (Maine) 11.

When Congress passed Federal Prohibition in December 1917, twenty seven states had already passed prohibition laws. Between 1917 and 1920 six more states joined the movement. Therefore,

1. André Siegfried - "Les Etats Unis d'aujourd'hui".

11. Appendix 11.

in 1920, when the 18th Amendment went into ^{effect} ~~power~~, thirty three states had passed prohibition ^{of} ~~on~~ their own accord. The states which were still opposed to it were populated by a majority of immigrants and Catholics, and strongly opposed to any coercion of this type. André Siegfried in his "Les Etats Unis d'aujourd'hui" shows us two maps illustrating :- (1) Local Prohibition previous to the 18th Amendment and (2) State Enforcement of Federal Prohibition.

To understand the puritan's passionate fight for Prohibition we have to understand the average American's attitude towards liquor. The dry and enervating climate does not excuse excess in drinking at all. The damp and depressive climate of the British Isles justifies drinking, but, considering the exhaustingly active life the American usually leads, he might feel the need of something to build his vitality up, certainly not of a stimulant. But they kept up their drinking habits as if they still lived in the Lancashire fogs - they have even exaggerated. One should refrain from sweeping statements, but how many Americans who drink can stand a half empty bottle in their home ?

Three influences have brought about Prohibition :- Their simultaneous concurrence, in 1917, has put in the 18th Amendment. 1. The first influence was and is still too a great extent the Protestant influence, not religious in a wide sense, but Protestant, for the Catholic clergy and even the Lutherans never frowned on

1. André Siegfried "Les Etats Unis d'aujourd'hui".

drinking in moderation. It is amongst the Calvinists and the Anglicans (Not ~~as~~^{so} much amongst the later^t though) that we find most militant prohibitionists. They defend Prohibition with fanatical fervour. It is Protestant morality, and alcohol being harmful, the soul has to be saved at all costs.

The second influence was at the time the influence of the big American entrepreneur. A drunkard is an inefficient labourer and it is a fact that the standard of living has increased from 1920 to 1928, but was it due to Prohibition only ? It is very doubtful !

The third influence was and is that of the middle class, of nationalistic tendencies and mostly of Puritian stock. The West especially is not the adventurous pioneer country it used to be, where everyone did as ~~they~~^{he} pleased. They have turned very "respectable" and are now the real heirs of the pharisaic and preaching England of the Victorian Period.^{1.} The United States cannot do anything without their help.

The "wets" being for freedom, have never succeeded in offering a really united front to the "dry's". One cannot say that when the United States entered the war there was a majority of strict prohibitionists - the majority was against the saloons, but not for complete Prohibition. The war, submitting the country to a rigid, collective discipline, and convincing it that a moral revival was vital to win the war, has made this radical move possible.

1. André Siegfried - Ibid.

An important factor is that 4,000,000 soldiers had no vote and that the prohibitionists were marvelously organized. The business magnates favoured the step and, as a war measure, Prohibition passed without any difficulty. The conditions were not normal and hysteria had a lot to do with it.

The Prohibition movement in the United States is centuries old, and many states had prohibition of liquor traffic,^{1.} but the first endeavour to put Prohibition in the Constitution only goes back to 1913 (Nov.). Most of the States were undecided, a majority was reached, but not the required two-thirds. It was passed by two-thirds of Congress in 1917 and ratified by three-quarters of the States the 16th of January 1919.

It was not a party vote, but one can scarcely say that it was approved by the majority of the people of the United States. The Anti Saloon League's campaign was fierce and passionate. They even blackmailed - they gathered facts of the Congressmen's intimate life and threatened to divulge them if they did not vote their way.

The prohibitionists are mostly people living in the country and in the West. Large cities are definitely hostile to the measure together with the Catholic immigrant who, although frowning on drunkenness, still likes his wine and beer. The indigenous Protestant wants "morality" at all costs. He is not a wine drinker and knows very well that the American cannot drink. Once he drinks he is lost. This is the main reason why the solution dictated by

common sense - that is, prohibit hard liquor and allow beer and light wines - was so fiercely opposed by them. Some others voted for Prohibition due to their national feelings. Beer is a German beverage, and wine a French, and therefore immoral one. 1.

This chapter seems to be ~~out of~~ ^{aside from} the subject, but in 1919 Prohibition nearly became a Federal law in Canada too. Why not ?

This movement in the United States had a considerable influence on Canada, but, considering the slow increase of the Canadian population, the difficulties of communication and the important French Canadian element, the movement only started after 1867.

Before 1867 we come across two laws:- The Act of 1840 prohibiting the sale or gift of intoxicating beverages of any description to Indians. In 1864 the Dunkin Act, passed by the legislature of the United Provinces of Canada provided for what we would now call Local Option; retail sale of intoxicants was to be prohibited in a town and county where a majority of the electors voted against it. This was the original

CANADA TEMPERANCE ACT.

In 1867 the British North America Act was passed. If we compare the B. N. A. Act to the American Constitution, one main difference strikes us immediately :- All powers which are not definitely vested in the Provincial Legislature are automatically under Federal jurisdiction in Canada.

1. André Siegfried "Les Etats Unis d'aujourd'hui".

The historical circumstances out of which the B. N. A. Act arose prevented it from being as complete and logical as it might have been. 1. There were so many opposing factors at work - racial, linguistic, economic, etc., that the foundation of the Federation could only be laid by balancing their forces. The courts were to round it off and give decisions in actual cases as they arose. This gave it a great deal of elasticity.

It is very easy to see how both Federal and Provincial powers continually overlap. This was meant to be so, for bitter constitutional experience had taught them that elasticity was the better way. The Act is rather to be considered as a statute than as a solemn, inviolate instrument.

The distribution of legislative powers as set forth in Sect. 91 - 95 of the B. N. A. Act, 1867, left some doubt as to the respective jurisdictions of the Dominion and Provincial Governments in regard to the liquor question. 11.

Control over the importation of liquors was generally conceded to belong to the Dominion under the Commerce Clause, Sect. 91, sub-sect. 2. As to regulation of the sale of liquor, it was claimed that the Provinces had jurisdiction because they had been assigned "shop, saloon, tavern, auctioneer and other licenses in order to the raising of a revenue for provincial, local and municipal purposes". (Sect 92, sub-sect. 9).

1. "The Constitution of Canada" Kennedy.

11. "The Control & Sale of Liquor in Canada", Dominion Bureau of Statistics, 1932.

"Municipal Institutions in the Province" Sect. 92 sub-sect 8,
"Property & Civil Rights " " " " 92 " " 13,
and "Generally all matters of a merely local or private nature in
the Province" Sect. 92, sub-sect. 16.

On the other hand it was claimed that the licenses were given to
the Provinces merely for the purpose of raising a revenue and that,
apart from this, they should belong to the Dominion as part of :-

"The Regulation of Trade & Commerce" Sect. 91, sub-sect. 2,
or as coming within the scope of :-

"Criminal Law" Sect. 91, sub-sect. 27,
or of :-

"Customs and Excise" Sect. 91,
it being argued that the right to import and manufacture liquor
implied the right to sell. The Dominion had the right also :-

"To make laws for the peace, order and good government of
Canada in relation to all matters not coming within the
classes of subjects assigned exclusively to the legislature
of the Provinces".

The uncertainty as to rights of Dominion and Provincial
Governments in regard to the liquor question caused much confusion
for several years after Confederation. Numbers of Acts were passed,
then declared "ultra vires". The Prohibition movement was on the
upward trend. In response to appeals made from time to time for
prohibitory legislation that would be applicable to the whole of
Canada, the Dominion Government, in 1878, passed the

CANADA TEMPERANCE ACT OF 1878"

Commonly called the "Scott Act" which provided that, on a petition
from one-quarter of the electors in any county or city, a vote was

to be taken and if a majority of the votes polled were in favor of the Act, a proclamation would be issued bringing it into force after the date of the licenses then in force. From the date of the adoption of the Act the sale of intoxicating liquors, except as expressly stated in the Act, was prohibited.

The sale in the Scott Act county was prohibited, but no one could be prevented from importing or ordering any quantity of liquor from a nearby "wet" county or from abroad for consumption purposes. Wineries could sell their products in Scott Act counties as freely as before, for consumption purposes. The Act could be repealed by a similar procedure, but only three years after having been put in force. It was to supersede any by-law passed under the Dunkin Act.

The constitutionality of the Scott Act was soon disputed, but was sustained by the Privy Council in 1882 (Russell vs. the Queen) for the reason that it did not fall within any of the powers assigned to the Provinces and was valid as "maintaining the peace, order and good government of Canada". From this decision it was deduced that the Dominion had supreme authority over liquor licenses and that the powers of the Provinces were confined to the raising of revenue therefrom.

In 1883 the Dominion Parliament passed the

"DOMINION LICENSE ACT"

known as the "McCarthy Act", establishing a Dominion system of licensing. This Act was, in many respects, more stringent than the license laws of several of the Provinces. It was attacked

fiercely and, together with an Amendment passed in 1884, was declared "ultra vires" of the Dominion Parliament by the Privy Council.

The net decisions of these cases, which have not been changed to the present time were :-

- (a) Licensing of shops and taverns is under the exclusive jurisdiction of the Provinces.
- (b) The Canada Temperance Act which provides for "Local Option" is under Federal jurisdiction.
- (c) The licensing of brewers, distillers and wineries, although duly licensed by the Dominion, is also within the competence of Provincial Legislation.

Since then there has been no discussion as to the rights of the Provinces to regulate the sale of liquor within their confines.

The temperance movement was growing more and more powerful ~~though~~ ^{however}. The tendency in all Provinces was towards restrictive legislation and more stringent regulation. Votes were taken in all Provinces and were much in favour of Prohibition (1892 to 1900) but the majority was not considered as overwhelming enough to justify action (Sir Wilfred Laurier) 1.

The "War Measures Act" was passed in 1914, which gave the Federal Government power to issue Orders in Council. In 1916, as a war measure, an Amendment to the C. T. A. was issued, 11. which made it an offense to send intoxicating liquors into any Province to be dealt with contrary to the law of that Province. This law

1. Debates of the House of Commons - 1898 - Vol. 11, Page 6039.

11. 6 - 7 George V.

did not stop any one from ordering liquor for private consumption ~~though~~. This prohibition extended over wine and beer, except in Quebec. Native wines could be sold, however, in Ontario.

This law being a war measure, was to end with the war. In the United States similar legisla^{ion}~~ture~~ was passed, to be in force until the President of the United States had declared demobilization to be over.

In 1919, a further amendment was made to the Canada Temperance Act. The 1916 Act was changed to read that:-

"On the request of the Legislative Assembly of a Province, a vote would be taken on the question that the importation and the bringing of intoxicating liquors into such Province be forbidden".

If the majority vote was in favour of Prohibition, the Governor in Council was to declare it in force.

Between the time when the 1916 Order in Council had expired and the time the Provincial Legislatures had voted on the subject, nothing stopped anyone from importing or ordering liquor, and many people attribute the fact that Canada did not go dry to this lapse of time during which people had stocked liquor, and kept in the habit of drinking. The 18th Amendment was passed when everyone was enthusiastic over the victory. In Canada the enthusiasm had cooled off by the time the different Provinces had plebiscites on the question. Even if Prohibition had become a Federal Law in Canada its repeal would have been far easier than in the United States, for only a majority vote of Parliament is necessary to change the B. N. A. Act.

After the war some Provinces continued under Prohibition for varying periods. Plebiscites were taken from time to time as to whether the measure should be continued.

Quebec and British Columbia discarded the existing prohibition laws in 1921 and started the Liquor Commission system, which was adopted by all Provinces, except Prince Edward Island, within eleven years.^{1.}

The Provincial Liquor Control Acts have been framed to conform to conditions peculiar to the localities where they are in force and no two are exactly alike (See synopsis of all systems).^{11.}

The underlying thought where most of the Liquor Control Acts were passed (at least as expressed in the Parliamentary Debates), was that the sale of intoxicants is a necessary evil. As it cannot be rooted out the Government might as well make the sale a Government monopoly, get from it a much needed revenue and discourage the consumption of hard liquor by taxing it higher than the lighter beverages like beer and wines. One of the main results of this policy was the further development of the Canadian Wine industry already greatly accelerated by its sole occupancy of the field in Ontario in the Prohibition years.

1. See Chart of Canadian Liquor Laws - Appendix 111.

11. See Appendix 111 (a).

Chapter 111.

IMPORT AND TAXATION OF FOREIGN WINE IN CANADA

PRIOR TO PROHIBITION

1867 - 1916

Chapter 111.

IMPORT AND TAXATION OF FOREIGN WINE IN CANADA

PRIOR TO PROHIBITION
1867 - 1916

(A) Outline of Influences.

Previous to 1867 the consumption of foreign wines was very small, especially when compared to the consumption of spirits. 1. The population was scarce and the means of transport primitive and expensive. It was much more than it is now, a luxury.

The French Canadians' ancestors were wine drinkers and to a great extent their descendents remained so. 11. Accurate figures as to imports before 1867 are impossible to get.

In both the charts of imports per capita and in gallons, we notice considerable drops and increases. 111 Three main factors influenced the import of wine :-

- (a) Wine being a luxury, the wine trade is hit first by a depression and is very sensitive to any upward trend of business. IV
- (b) The imports of wines vary greatly due to changes in tariff policy.

1. See Appendix IV.

11. See "Voyage de Kalm en Amérique" 1749 - Trans. by L.W. Marchant.

111. See Appendix IV to X.

IV. See Appendix VIII.

(c) The sale of wine was handicapped several times in Canadian history by liquor laws, due to the temperance movement.^{1.}

Before we begin an explanation of the variations shown in Appendix VI may we draw attention to the fact that although the consumption per capita of wines is decreasing, this does not mean that less wine is being consumed? The chart showing the net imports in gallons explains it. The apparent decrease is due to the fact that the bulk of the immigrants, settled in the Western Provinces, ~~they~~ were and are consumers of hard liquor, but never were, and are not yet, (some people even say never will be) wine drinkers. Therefore this apparent decrease really is an increase considering that Quebec consumes most of the imported wines. In 1867 Canada imported \$ 86,068 worth of wine from France, \$ 82,630 from Great Britain, \$ 16,256 from Germany, and \$ 156,000 from other countries. If we take the countries from which the wines are bought right up to 1932, France always sells the most. Therefore a change in the Franco-Canadian trade treaty is bound to affect the general imports more than a change of treaty with any other country.

(B) Survey of causes of variations.

In 1867 Canada was going through a severe depression due to the repeal of the Reciprocity Treaty by the United States. Tariffs on spirits and wines were increased at the same time.

1. The Provincial License Laws undoubtedly had some influence on the amount of wines consumed, but we may safely neglect it for the bulk of imports was for private cellars. The effect on the consumption of strong liquors is undoubtedly much greater.

This depression, however, was short-lived and soon the hectic prosperity years of 1869 - 73 began. Canada witnessed a general industrial expansion, and at that time most of the large Canadian fortunes were made. Prices were rising and the volume of trade was increasing.

This gleam of prosperity was brief. Over speculation brought it to an early end and a world wide depression started. In Canada it was more a commercial than an industrial crisis, due mainly to the reckless increase of importation. The fight for "protection" started then, mainly to try to stop "dumping" for both the English and the Americans had chosen Canada as the country to "dump" their merchandise in times of depression, thus greatly harming Canadian industry.

Canada had up to then benefited by the Franco-British trade treaty. In 1872 the French discovered that Canada really was not mentioned in the treaty, and that they could increase their custom duties against Canada without annullating their trade treaty with England. Canada retaliated by increasing her tariff against French goods, wines included. All these factors produced a really astonishing drop in imports of wines. Later, tariffs on wines were raised for revenue purposes, when the "National Policy" advocates were in power.

The Scott Act, passed in 1878, might have had an influence too, but as it was passed in the "lean" years, its effect cannot be differentiated from the other causes of decrease. Came the

"Days of Trial" as Skelton calls the period from 1879 to 1896.¹ The lean years drew to a close in 1879. Industry, in particular~~y~~ railways, expanded, and another brief ~~a~~era of prosperity dawned. Imports of wines increased due to the boom. The increase of immigration and tariffs does not seem to show much on the per capita chart. In 1877 the Government tried putting specific duties on wines, instead of ad valorem, but in 1879 Canada went back to the ad valorem~~tax~~.

Very few changes were made in tariffs during the eighties and the variations are entirely due to other causes. In 1877 Canada's adherence to the United Kingdom trade treaties was made optional, and from then on Canada's trade policy has been entirely its own. In 1879 Galt went to France to attempt to patch up the trouble which arose in 1873 and to try to secure a "most favoured nation treaty" which Canada had shared with England from 1860 - 73. His efforts came to nothing and the tariffs remained unchanged.

The C. P. R. Charter was granted and reckless speculation started again (1880-84). Much money was made on paper and business boomed till the collapse of the Manitoba real estate boom, followed by a general deflation. In spite of a few prosperous years prices kept falling and these years may justly be called lean years. The slow development of the West, the stagnation of the rural East, the fall in farm prices meant for the manufacturer a cramped market and decreasing purchasing power among consumers.

1. See "General Economic History of the Dominion (1867-1912)", Oscar D. Skelton.

The Prohibition movement was increasing, which, if it did not affect imports physically, certainly must have harmed the wine and liquor business by its active propaganda.

After 1896 a remarkable change came about - population and consumption were again overtaking production, and increasing gold supplies, etc., were raising prices. Immigration increased tremendously, industries expanded, the South African War added more stimulation. The imports of wines increased with prosperity, but seemed to be affected by the 1907 Financial Panic. Numerous people in the "wine drinking" East lost money and the wine was one of the first commodities affected. This decrease is not very noticeable if compared to the spectacular increase up to 1914, when the imports reached a level never reached before.

The war depression dislocated business all around - insecurity stopped people from spending money on luxuries. The imports dropped considerably in spite of France's wines being favoured with a very low tariff. German imports were cut off and many of the men, having joined the army, left the country at the mercy of the prohibitionists. The same ^{wave} vague of Puritanism which swept the United States hit Canada and the result was the 1916 Order in Council enforcing Provincial Prohibition.

These are general items which have undoubtedly greatly influenced the imports of wine. The real problem is why are the Canadians not a wine drinking nation ?

In the wealthier classes of society most people drink

wines, either because it is the thing to do or because they enjoy the blend of different wines with different dishes. Another class drinks for the "kick". This second class has never been a wine drinking class in Canada for reasons explained further on.

Man is an animal of habits. Everywhere the Scottish people went they imported or manufactured their whiskey. The French make their own wines if the climate is suitable, or import French wines.

If we look at Appendix VI, the consumption of imported wines per capita, we are surprised at the decrease of this per capita consumption. Here is the explanation:- The French Canadians always drank wines. If we compare the French and the English population of Canada we find that the proportion of French Canadians in the total population has decreased.^{1.}

1831	French Canadians	553,314	souls (L.C.)
	English "	236,702	" (U.C.)
1841	French Canadians	697,084	"
	English "	432,159	"
1851	French Canadians	890,261	"
	English "	952,004	"

Before 1851 the French Canadians were a majority in the "Province of Canada". The immigration to which the increase of population is due in Canada was mostly Anglo-Saxon and lower class Europeans from beer and schnaps drinking nations. This

1. See Canadian Census.

immigration outnumbered the French Canadians more and more. At the last census they were 28.22% of the total population.

As said, most of the immigrants, except a few Italians, did not have the wine drinking habit. If they drank, it was either beer or "hard liquor" and they drank for the kick only. Why did these people not become wine drinkers ? Because of the bar

In pre-prohibition time, when drinking was allowed freely the bars were numerous and the hours long. Whiskey, gin, beer and later on Canadian home made wines were sold at five cents a glass. People did not keep liquor in their houses.

Imported wines could be had at high class bars, but they were sold by the pint, and not by the glass and they were very expensive in comparison to the other alcoholic beverages.

The wine was imported at a reasonable price. Once the wholesale merchant and the bar owner had taken their percentage of profits, added to the duties which increased steadily (20% to over 40%) the wine was too expensive for the average man's means.

The food has quite an influence too. Somebody said the English eat to live the the French live to eat, and he was right. England, said a Frenchman, is the country of "legumes cuits a l'eau", so is Canada. The food in the average house is plentiful and wholesome, but not very refined. To get the maximum of epicurean enjoyment out of a meal every food has to go with the type of wine which enhances the delicacy of the food and yields its maximum of flavour when blended with it. In France, Italy and Southern Germany this has become a science. Canada,

together with most of the Saxon Countries, lacks it absolutely. The only people who do it are wealthy people who can stand the expense of continental European cooks or have learned to cook there.

How ~~did~~ the prohibition laws and later on the Government Control of liquor sales affect^{ed} the importation and home production of wines, will be explained in the two following chapters.

Chapter IV.

I M P O R T A N D T A X A T I O N

OF FOREIGN WINES IN CANADA

AFTER 1916

1917 - 1931

Chapter IV.IMPORT AND TAXATION OF FOREIGN WINES IN CANADA1917 - 1931

The Act of 1916 went automatically out of ~~power~~^{force} when the war ceased in 1918. In the United States the War Prohibition Act was only to cease when the President declared demobilization to be over.

In Canada there was no prohibition law between the time the 1916 Liquor Act was cancelled and the 1919 Act was put in force. The C. T. A. Amendment of 1919 said that in case the majority of the House of Assembly of any Province petitioned the Governor General in Council he would give them authority to have a plebiscite on the subject of Prohibition of sale and imports of intoxicating beverages. In case the plebiscite was in favor of Prohibition, the Province was to become "dry". Even imports from a foreign country or other Province for beverage purposes was to be prohibited by the Federal Government. The 1916 Act had really only enforced the Scott Act, and in 1919 it was the first time in Canadian history that imports were prohibited. Up to 1919, even when a whole Province was under the Scott Act, no law could stop anyone from importing any type or any quantity of intoxicating beverages for his private consumption. Now it could be stopped by a plebiscite. This fact is of great importance if we want to analyse the variations of imports from

1916 on. Up to then Temperance Laws had no actual noticeable influence on the imports, for the wine consumers are the wealthy class and could import any amount they wanted to. This was stopped - therefore from 1919 up, Temperance legislation will be the most important factor, followed in order of importance by booms, depressions and changes of tariffs.

As a result of the "Great War Activity" after 1916, the sales went up, in spite of the 1916 liquor law. In 1918 the imports of both wines and liquor took a noticeable drop - soldiers were coming back and the liquor laws were enforced. In 1919 the Amendment had a curious effect. It takes time to pass a bill through the legislature, and more time to have a plebiscite; the people who were not in favour of Prohibition decided not to get caught short like most of the people did in the United States. They stocked up - this is easy to see on Appendix No. VI. The per capita chart is not very striking, but the actual imports jumped up from 355,457 gallons in 1919 to 740,433 in 1920, an increase of 384,976, nearly the imports of an average year. This increase is not only due to stocking - the currency inflation during the war resulted in a boom, which crashed in 1921.

Within three years of the 1919 Act all the Provinces but Quebec and British Columbia went dry. This fact, together with the depression of 1921 occasioned a drop in the imports which is nearly as great as the 1919 increase.

From 1922 on, the sales went up again. Prohibition was

repealed in one Province after another, and now all Provinces except Prince Edward Island have Liquor Commissions.¹

The establishment of the Liquor Commissions of Quebec and British Columbia in 1921 stayed the drop in 1922. The systems were well organized and their sales system successful. Everyone was prosperous and in spite of the high prices of wines, nearly prohibitive in some Provinces, the sale increased continually. The fundamental idea of all Liquor Commissions was to try and wipe out drunkenness and foster temperance by increasing the price of liquor and selling wines and beers at moderate prices - but the Commissions are a money making machine - their sale of hard liquor is larger than that of wine. It is the conflict between idealism and money making, and as most Provinces need the revenue badly, the ideal outlook is sometimes sadly neglected.

Prohibition was repealed in the following Provinces at the following dates :-

1921	-	Quebec and British Columbia
1924	-	Alberta
1925	-	Saskatchewan
1927	-	Ontario and New Brunswick
1928	-	Manitoba
1930	-	Nova Scotia

Prince Edward Island being now the wolf in the wilderness and, alongside with the United States, actually the only stalwart supporter of Prohibition in the world - (1932).

1. The tariffs on French wines (1921 - 15¢ per gallon and no ad valorem) made wines much cheaper, and considering that 50% of the total imports are French wines, this drop in tariffs explains the rise in imports.

From 1923 up, the expansion of Canada was astonishing. It was sound prosperity, and, alongside other imports, the imports of wines increased. The influence of the different Provinces adopting the Liquor Control System is impossible to differentiate from the influence of prosperity.

In 1928 imports of wines decreased, while the imports of whiskey still increased. The fact that Manitoba adopted the Government Control System might ~~be~~ ^{have been} the cause of the increase of 1929.

In 1930 the real depression started. This downward effect was enhanced by the 1930 Export Law which prohibited the exports of wines and spirits to any country under prohibition laws. An indication as to how seriously it affected the liquor trade is that the gross sales of the Quebec Liquor Commission dropped 30% as compared to the year before.

Figures for 1932 are not available yet, but undoubtedly the drop will be appalling, in wine more than anything else, due to an increase in tariff duties on foreign wines, made worse by a decrease of excise duty on strong liquors.

Sales tax and excise taxes had been increasing continually,¹ but the Liquor Commissions had been absorbing them without raising their prices. It is to be expected that, the sales and excise tax having risen to 9%, the wines will increase that much more in price and the sales will drop lower yet.

This drop was to a certain extent compensated as far as the money making of the Liquor Commissions goes, by the astonishing

1. See Appendix X.

growth in their sales of native Canadian wines, of which very few people heard before 1916. The next chapter will deal with the history of the Canadian Wines.

Chapter V.

HISTORY OF THE PRODUCTION OF WINE IN CANADA

Chapter V.

HISTORY OF THE PRODUCTION OF WINE IN CANADA

In the pamphlet "The Grape in Ontario" issued by the Ontario Department of Agriculture in 1927 we come across two interesting sentences:-

"In Ontario, grape culture is of comparatively recent origin"

and

"Previous to 1916 the consumption in Canada of native wines was not great"

The Ontario Temperance Act was passed in 1916, therefore to understand the development better, two sub-divisions are advisable:-

(A) Up to 1916.

(B) Spectacular increase from 1916 to 1932.

(A) UP TO 1916

In the "Voyage de Kalm en Amérique" (Resa till Norra America" originally published in Stockholm and written in Swedish in 1749,¹ two passages are worth quoting :-

"Plusieurs habitants ont fait venir des vignes de France et les ont plantés dans leur jardin Les raisins commencent maintenant a mûrir, les blancs sont un peu plus précoces que les rouges. On n'en fait pas

¹ The best translation is the French one, published by L. W. Marchant, Montreal, 1880 in the serial "Mémoires de la Société Historique de Montréal" (p. 199 and 229).

de vin ici, cela n'en vaudrait pas la peine, mais on les passe en grappes au dessert. Il paraît que les raisins dégénèrent au Canada" (p. 199)

and

"Le vin est presque la seule liqueur què les gens un peu à l'aise aient l'habitude de boire Le Canada ne produit pas de vin (on ne peut donner ce nom aux boissons insipides que l'on fait avec le raisin indigène) de grosses sommes sortent annuellement du pays pour l'importation de cet article, etc." (p. 228).

This is the first time in Canadian History native wine is talked about.

Wine making and grape growing ^{were} ~~was~~ really started in the early fifties. The "Grape in Ontario" says that the first record of planting has been brought to the attention of the writer in 1857 at Queenston, in the Township of Niagara.

In 1878 we hear the first mention of the industry in a Parliamentary discussion.¹ , Mr. Wood said :-

"The Hon. Gentlemen of Lower Canada knew that in Western Canada there was a large section of grape producing and wine producing country, etc".

The same year the Scott Act mentions native wines. The Province of Ontario, the only Province where the growing of vines was successful, was credited with not more than 400 acres of commercial vines in 1880.

In 1888/^{by}the Amendment of the C. T. A. (Sect. 99 and Sect. 5) the sale of intoxicating liquors was prohibited in Scott Act districts, subject to the following exceptions :-

1. Debates of House of Commons - Feb. 18th, 1878.

- (a) Incorporated Companies authorized to cultivate grapes and make and sell liquors produced therefrom, may sell the same at manufactories.
- (b) Manufacturers of pure native wines from grapes grown in Canada, may, when licensed by the municipal council or other proper authority, sell the same at the place of manufacture.

Numerous counties went dry, and the industry seems to have prospered due to its privileged position under the Scott Act. By 1890 the ~~area~~ planted with vines had increased to 2,400 acres.

No official mention is made of the Canadian wine industry in any statistical issue of the Government. In the 1891 Statistical Yearbook we are given the production of wine of the principal wine producing countries in the world. This would have been a chance to mention the Canadian wine production, but nothing is said about it.

In the 1893 Statistical Yearbook we find the first mention of the industry, taken out of the 1891 Census.

No. of establishments	41
Capital invested	\$ 396,475
No. of Employees	150
Wages	\$ 37,955
Value of output	\$ 254,489

It is stated that since 1881 the wine establishments have increased by 31. The number of men then employed had been 36 and the value of the output \$ 59,620. The value of the output had therefore more than quadrupled in ten years. In 1894 the Yearbook says that the production was ~~of~~ 75,000 to 100,000 gallons.

In 1893 the treaty with France was signed and the merits,

size and importance of the Canadian wine industry were brought to the attention of the public in parliamentary debates.

Mr. MacLean¹ (East York) said :- "The most serious objection to this treaty has not been mentioned, and that is its effect upon an important Canadian industry. I refer to the Canadian wine industrythe wine growers of Ontario represent a very large industry". However, if we consider the 1891 figures of capitalization, etc., the industry hardly deserves the attribute of "important" and "very large". It proves there was an industry, even if it was nearly forgotten in the Royal Commission Report on Liquor Traffic which was submitted to Parliament the year after (1894). In this report of six volumes, we find one lonely sentence in Vol. VI (1200 pages) :-

"In some parts of Canada, large quantities of wines are made by manufacturers from grapes grown in the locality where the manufacture takes place. Not only is wine extensively manufactured in that way, but many farmers who grow grapes also make wine. This is a growing industry and its stoppage would deprive many persons of their present employment, and would lessen the demand for grapes, thus compelling the destruction of vines in order to fit the land for other purposes".

In 1894 the treaty was attacked again, the lowering of duties on French wines had roused the wrath of the prohibitionists on one side and the Ontario wine growers on the other side. Here is what the Ontario wine growers have to say about their industry:-

1. Debate of House of Commons, March 13th, 1893.

Mr. McGregor,¹ member elect of the County of Essex, estimates the acreage at 13,460 acres, which clashes with the estimate given in the 1901 Census, that is, 5,750 acres. He estimates the production capacity of the Ontario vineyards in 1894 at 2,000,000 gallons, which was really only reached after 1925. By bringing in all industries, however slightly related to the wine industry, he succeeds to estimate its total value to \$ 5,057,700. The Conservatives were in power, advocating the "National Policy", therefore a deputation of wine growers went to the Prime Minister and handed in a report asking for a higher tariff, stating :-

"That we unanimously believe that the Dominion Government has not been informed and is not aware of the magnitude and importance of the grape and wine industry in Canada, etc., etc.,".

They even ^{became} ~~got~~ slanderous :-

"An effect of the treaty will be the flooding of this country with cheap and spurious wines, in which grape juice will hardly, if ever, be present".

At the same time they asked for the right to fortify their wines, which will interest us later on.

Mr. MacLean says that even if Canadian wines are not as good as French wines, it is a cultivated taste and there is no reason why Canadians should not get used to their own type of wines and cultivate a taste for them, however bad they might taste to a Frenchman. He adds that a good wine is better than health destroying tea "which sends thousands of women to the insane asylum every year".

1. Debates of House of Commons, July 10th, 1894.

He informs us that there are 700 vine growers and 50 wine manufacturing concerns.

The treaty was ratified in spite of the protest of the Ontario vine growers and only a protection of 25¢ per gallon remained for wines under 26% proof spirits. Nothing was done about their plea to get tax free alcohol for fortifying purposes.

From 1894 till 1901 the wine industry is not even mentioned in the Yearbook or in any official Government publication. One gets the impression that the industry was only mentioned in the 1894 - 95 Statistical Yearbooks due to all the advertising around the question when the French Treaty was being discussed. Even the 1901 Census is very sketchy on the subject. All we find in it is that the acreage of vines in Ontario increased from

4,956 acres in 1891

to

5,440 acres in 1901

and that the crop of grapes shows an increase of

97.49%

over the estimate given in the 1891 Census.

No mention whatsoever can be found from 1901 till 1907, when a new treaty was signed between France and Canada. The Hon. Mr. Fielding makes a queer statement if we consider what was said in 1893 :-

"We have a small wine industry in Canada I am inclined to think it is not a growing industry, etc." He states

that in spite of the decrease of tariff duties against French wines the import of light wines from this country have not increased to any extent. He mentions that the Canadian wine manufacturers, in opposition to the French ones, do not get the alcohol tax free¹.

In Vol. II of the House of Commons Debates (1907-08 P. 3530) we find an exactly opposite statement¹¹. Mr. Smith says that the grape growing industry has increased very rapidly. In Ontario the average was

1903 - 14,000 acres

(Estimate), 1908 - 18,000 to 20,000 acres.

He estimates the production at

2,000,000 gallons

which amount we are unable to check, but which is undoubtedly grossly exaggerated, for, as said before, the production only reached this amount in 1925 - 26.

Mr. Cockshutt¹¹¹ informs us that in 1908 the capital employed for wine making was

\$ 1,000,000

and several more millions were invested in vineyards.

Eighty percent of the grapes produced are used for wine-making ("The Grape in Ontario" calls an estimate of 75% in 1925 "unduly high"). He requests the Government to allow them to get alcohol tax free for fortifying purposes, for at that time the

1. Debates of the House of Commons, June 14th, 1908.

11. Debates of the House of Commons, Feb. 20th, 1908.

111 Debates of the House of Commons, Feb. 20th, 1908.

excise duty for alcohol used for fortifying grape wine was
90¢ per gallon.

The Hon. Mr. Fielding states that there is no set maximum for fortifying and adds "Some use a considerable amount". In the same address he shows that the 25¢ duty on imported French wines of less than 26% proof spirits was sufficient to protect the home industry.

Mr. Armstrong states that Canada has 18,000 acres of vines, one third of the grapes of which are used for wine-making purposes.

Out of the Parliamentary discussion, both in 1893 and 1907, we can conclude that the wine industry in Canada was undoubtedly growing, but the statistical information has to be taken with a grain of salt, coming from M. P's. of the vine growing districts who did their best to be re-elected. The fact which will rouse the reader's suspicion as to the veracity of most of these statements is that outside of the 1893-94-95 Statistical Yearbooks and the debates on the occasion of French Trade Treaties, there is no official mention of this so-called very important industry.

The Canada Yearbook ~~completely~~ forgets to mention the Canadian wine industry until 1921.¹ The next mention of the Canadian wine industry is in 1911 - it is to be found in the Census under "Vinous Liquors" and does not give the production

1. See Appendix XI.

of wine in gallons.¹ We see ^{that} the acreage has increased to
9,836 acres.

We notice that the number of concerns is continually decreasing together with the people employed, while the value of production is continually increasing. It would be interesting to know how many farmers grew vines, but statistics for this are missing.

On the 18th of May, 1916,¹¹ an Act "In Aid of Provincial Legislation prohibiting or restricting the sale or use of intoxicating liquors" was passed and the Canada Temperance Act was enforced more strictly. This was for the whole of Canada. The Act which gave the tremendous impetus to the production of native wines was the Ontario Temperance Act, ^{finally} ~~definitely~~ passed by the Ontario Legislature April 15, 1917 (Hearst Government).
1916 to Today.

The Ontario Temperance Act added to the Federal Wartime prohibition, made Ontario practically dry, except as far as native wines were concerned. The Ontario Temperance Act provided that all liquors containing more than two and a half proof spirits shall be deemed intoxicating and therefore be prohibited. It did not prohibit importation, for that was outside of the Provincial Legislature's scope, and allowed native wines to be sold freely. The Ontario Temperance Act puts no limitations on the strength of wines sold from native grapes, provided they were not "fortified" with alcohol.

1. See Appendix XI.

11. 6 - 7 George V, Chapt. 19.

Section 44, Sub-section 1 of the Ontario Temperance Act reads :-

"Subject to any regulations and restrictions which the Board may impose, manufacturers of native wines, from grapes grown and produced in Ontario, may sell the same in wholesale quantity only, etc."

Section 44, Sub-section 2 reads :-

"A manufacturer of native wines who sells such wines otherwise than as permitted by this section or who allows any wine so sold or any part thereof to be drunk upon the premises of such manufacturer shall be guilty, etc."

The regulation of sale of native wines, the granting of licenses to new wineries, was done by the "Provincial Board of License Commissioners" with jurisdiction throughout the Province.

While the war lasted, even till demobilization was over, the wine business flourished, but did not increase in astonishing proportions as it did later. The 1916 Act did not stop anyone from importing any wine for his private consumption. Came the law of 1919 :- "An Act to amend the Canada Temperance Act".¹

Upon a resolution passed by the Legislative Assembly of any Province, requesting a vote or plebiscite for or against the existing prohibition, the Governor General in Council shall give such authorization. If the vote is in favour of Prohibition, "Importation and the bringing of intoxicating liquors into such Province will be forbidden". This means Provincial Prohibition enforced by Federal Import Prohibition.

Ontario stayed dry and this was the start of the boom of

1. 1919 (2nd Session) 10 George V, Chapt. 8.

the wine business, for, in spite of the stricter prohibition laws, the sale of native wines was still allowed. The situation was as follows:- Prohibition of sale and import of beer, wine and liquor; and free sale of native wines, cheap because of a very small excise tax only¹, and strong enough to produce all the required effects. All people who used to drink imported wines, beer or hard liquor drank native wines. The consumption rose so high that the production could hardly keep pace.

Before 1920 no direct federal taxes had to be paid on Canadian wines. In Appendix X the reader will find both the sales and excise taxes, which are still very small on Canadian wines, considering their cheapness.

Gradually Prohibition was repealed in all Provinces. This opened new markets for the Ontario wineries. When competitive trade in intoxicating liquor was allowed only a small quantity of Ontario wines was sold in the other Provinces. When the liquor trade became a Provincial monopoly, some of the Canadian wines were immediately "listed", which is the main reason for the terrific increase of production. The fact that the wines were listed brought people to buy them, either because of patriotism, or because of the "kick" they ^{have} / and mainly because of their cheapness. The trade boomed as is shown in the following production figures :-

1. See Appendix X.

Provinces adopting
the Liquor Control
System

	<u>Year</u>	<u>Gallons</u>
	1894	75,000
	1919	807,425
	1920	515,280
B. C. & Quebec.	1921	421,713
	1922	756,520
	1923	825,564
Alberta.	1924	1,157,371
Saskatchewan.	1925	1,245,249
	1926	4,464,454
Ont. & N. B.	1927	2,731,748
Manitoba.	1928	4,351,123
	1929	6,162,774
	1930	5,718,354
	1931	-
	1932	-

Ninety percent of these wines are produced in Ontario. This will be of interest in the conclusion, for, in the "Food and Drugs Act" made by Order in Council, Feb. 6th, 1928, we find, under "fermented fruit juice" Sect. 11, sub-sect 5 :-

"All beverages sold or offered for sale as wines shall be distinctly labelled to show the place of their production; and shall meet the requirements for wine, established by law in the place of their production".

The "apparent consumption" is sensibly the same as the production, for exports never passed the 40,000 gallon mark reached in 1929 when business was flourishing. The 1921 depression does not seem to have affected the industry to a great extent, it even increased due to the establishing of Liquor Commissions in Quebec and British Columbia.

In the West, people never drank much imported wine, but judging by the Liquor Commission reports the Canadian wines "took" right away. New Brunswick and Manitoba adopted the

the Government Monoply System which, together with the boom in 1929, is the reason of the terrific increase of production.

The general depressed business conditions prevailing in Canada in 1930 hardly affected the rapid progress made by this industry during the past few years. Since 1926

Value of production	- increased	102.2%
Capital invested	-	132.6%
No. of Employees	-	102.5%
Salaries & Wages	-	90.4%

In 1930

The growth of the industry since its start is shown by the increase in the number of concerns, capital invested, number of employees, value of production, etc.¹ Due to the depression which is growing worse and worse, even the sale of native wine is suffering. The last report of the Ontario Liquor Commission, as an example, shows a decrease of sales of

\$ 453,318

in 1933. This is the only report published up to date.¹¹ The drop in sales of native wines, however, is not nearly as sharp as the drop in sales of imported wines.

In spite of its growth, the industry is still much attacked ~~because of~~^{for} various reasons. Their wines do not appeal to educated palates and are generally considered as being of inferior quality. What can be done about it will be the subject of the next chapter.

1. See Appendix XI.

11. See Montreal Daily Star, March 2nd, 1933.

Chapter VI

C O N C L U S I O N .

SURVEY OF THE EFFECTS OF LEGISLATION

A N D

SUGGESTIONS FOR IMPROVEMENT

Chapter VI

C O N C L U S I O N .

SURVEY OF THE EFFECTS OF LEGISLATION AND SUGGESTIONS FOR IMPROVEMENT.

In 1761, Kalm said about wines produced in Canada¹:-

"Le Canada ne produit pas de vin (on ne peut donner ce nom aux boissons insipides que l'on fait avec le raisin indigène) etc"., and unfortunately there still is more truth than poetry in these words, applied to the wines produced in Canada in 1932. We will try to explain what the reasons are: (Climate, production, and legislation) and what could be done to remedy the situation.

As explained in Chapter 1 the climate of the Southern Niagara Peninsula is perfectly fit for the growing of vines. The soil seems to be good too. Ontario should produce light wines, but not port or sherry types. The wines grown here should be like the Rhine wines, and who ever heard of ports and sherries grown in the Rhine district. The wineries should refrain from trying to produce something the country is not fit for from a climatic point of view. Now, Canada is a cold country and, unless the farmers leave their grapes on the vines till ^{the} start of November, awaiting the stage of maturity which in German is called "Edelfaul", the sugar content will naturally be lower even than the sugar content of the grapes grown in the Rhine wine districts. In the "Grape in

1. See "Voyage de Kalm en Amérique" Ibid.

Ontario" we come across the statement:-

"Compared to our native varieties, the Old World, or Vinifera varieties have a higher sugar content". ^{It} ~~They~~ continues talking about the European varieties:- "Because of their higher sugar content and comparatively solid flesh, the European varieties have a long keeping season, Etc." This is a statement made by experts probably, but which we would like to contradict by an example: In very bad years the German vinegrowers reach an above-average quality of grape-juice, with a high sugar content by letting the grapes hang on the vines as long as possible. The sugar in the grapes is thus concentrated by evaporation and the vinegrowers win in quality the 30 to 50% they lose in quantity. Judging by this, and the pre-requisite being a high quality vine, the sugar content can be raised, naturally, but at the expense of quantity.

The Honourable W. F. Nickle¹, Attorney General of the Province of Ontario said in 1925 :- (As the reader will remember, under the Ontario Temperance Act, no winery was allowed to fortify its wines)

"I find (on the price list of a winery upon which the manager marked the strength of the various wines) the lowest is 18% in proof spirit content, and that they run as high as 24% to 28% proof spirit".

or in Gay Lussac 13% to 15%, which, considering the early date when the grapes are picked seems impossible, for, only in good years

1. Hon. W.F. Nickle, The Ontario Temperance Act, Feb. 17, 1925.

and in vineyards which are well exposed to the sun can such a percentage be obtained in the Champagne, the Rhine wine district and Northern Alsace.

In an article published in the "Financial Times" ¹ Montreal, we find a bitter complaint made by the general manager of the Canadian Wineries, Ltd., that the wineries have to buy the grapes from the farmers, and cannot very well pick and choose without exposing themselves to violent criticism. Admittedly the wine industry is very young in Canada, but more of an effort should be made by wineries to own their own vineyards, in which they grow the brand which they judge as being the best, not only from a point of view of quantity, but of quality too. It sounds queer to someone who does not know the Ontario Temperance Act (and considering that most vineyards in Ontario are situated on the Southern Shore of the Niagara Peninsula), that most wineries are in Toronto, Hamilton, Kitchener, etc. This queer arrangement is a direct result of the Ontario Temperance Act, when wineries were only allowed to sell their products on the premises. Wineries were built in the larger cities because of the market these cities afforded. This makes the production so much more expensive, for the transportation of grapes certainly runs into higher sums than the transport^{ation} of the finished product. Moreover, the grapes might deteriorate and the colouring become deeper in the lapse of time needed for the transport. There is another drawback to this system from a legislative point of view - in case, not the grapes, but the unfermented grape juice is transported from one place to

1. Canadian Wine Industry aided by Prohibition" K.H. Smith, Financial Times, Montreal, March 20th, 1931.

another, - it will be much harder for the Revenue Officer to control if an illegal addition of alcohol or sugar has been made. Instead of having only one plant to watch, two concerns have to be watched.

If the farmer who grows the grapes does not himself make the wine, it is natural that all he cares for is quantity; the more tons of grapes he can produce, the more money he gets. He does not care about quality unless he gets considerably more money per ton, and this not being the case here he grows vines with the highest quantity yield.

Quoting Mr. Smith again :¹

"Other varieties of grapes must be grown
... only two varieties are now available, both
objectionable."

and

"To continue planting vineyards for yield alone, regardless of quality and special adaptability, can only end in low prices for the farmer and discredit for the whole industry".

Vines should be grown on Southern slopes of mountains or hills; they should not be planted too near to each other either. Light and air are the best cure for any disease a vine might have. The original vineyards were on Southern slopes in Ontario, well exposed to the sun. (A vineyard on a slope will easily produce wines of 5 to 7% "Gay Lussac" more than a vineyard on flat land situated within a mile of the first one.) As soon as the industry began to prosper vines were grown everywhere, in

1. "Canadian Wine Industry aided by Prohibition", K.H. Smith, Financial Times, Montreal, March 20th, 1931.

rich soil, meagre soil, damp soil, etc., when they should only be grown on meagre soil as dry and hot as possible, well exposed to the sun. But this industry, as any other, is submitted to the law of supply and demand and supply has to meet demand at all costs.

The Canadian wines as such, have improved in the last ten years. The Ontario Department of Health keeps a close watch over the wineries and does its best to improve the industry by giving free courses on how to grow vines and make a sound and good wine. Rome has not been built in a day and though slow and patient work there is no doubt that in time quality will be improved as much as possible.

Why do Canadian wineries always try to produce "burgundy type" "hock type", adding the name of the Canadian district the produce is coming from. Algerian wines are sold under their local Algerian name as "Medea", "Miliana", etc., and not as Algerian "Claret", "Burgundy", "Graves", or "Sauternes". The Canadian wineries produce, on their own label avowal, nothing but self-styled imitations of the leading European wines, prefixed by the safeguarding qualifications of "Canadian". Local names are used to qualify the meaningless title "Sauterne" or "Hock". All these wines will never be anything but Canadian wines, and no one is fooled by these false qualifications. Why not try to make a local wine and develop it as it should be developed, without trying to change it into a "type" which neither the type of vine nor the sugar content of the grape, nor the climatic conditions justify ?

The European brands seemingly do not thrive in the Canadian climate, but why try and grow the "Vinifera" as such? Hybrids should be tried, and grafting, which should succeed as long as the wound is well covered in winter time against frost. The European varieties, since the Phylloxera plague, are mostly grafted on American roots and the results are satisfactory. Adaption is a slow process though, and for reasons explained later it is rather doubtful if private concerns will try it, therefore it is the job of the Government Horticultural Experiment Stations to try it and, if the results are satisfactory, have laws passed to this purpose. The reason which has without any doubt slowed the progress of the wine industry from the point of view of quality, is the Ontario Temperance Act, a legislative reason.

The Ontario vine growers, although few in number, seem to be surprisingly active from a political point of view. In the United States, where the wine production was several hundred times larger than in Canada, the 18th Amendment was passed, without an exception clause for the wine industry. In Canada, undoubtedly as a result of the "Buy Canadian" slogan and in order to make her a self-sufficient country, the wine industry was not touched by prohibition, much to the contrary, it flourished because of it. Ontario, the wine producing Province of Canada, passed the Ontario Temperance Act in 1916 and went bone dry in 1920. This Province was overwhelmingly for prohibition. Considering that the production of wines was still lawful something had to be done towards licensing wineries. The Ontario Temperance Act put licensing of wineries under the jurisdiction of a

"Provincial Board of License Commissioners"

nominated by the Government. The Government, being prohibitionist, the members of this Board were naturally dry^{ies}'s too, and this is what happened:- When they granted a license to an applicant they considered his moral worth more than his professional skill and thus the industry fell into the hands of a lot of people who went into it as they would into any money making venture. The harm would not have been considerable if the wineries had not had, together with the doctors and bootleggers, a monopoly over the sale of intoxicants. The alcohol addicts, in search of something cheap to satisfy their passion, drank these concoctions and found that the effect was satisfactory. It is of these people that the clientele of the wineries was mainly composed of, and still is. This is the first step in the explanation why the Canadian wine industry has not improved as much as it might have. Ginger ale is consumed during the meal and Ontario wine or whiskey, depending on the financial status of the host, is served after as a stimulant to help the guests get rid of their inhibitions.

In 1928 the Ontario Temperance Act was repealed and the Liquor Control Act replaced it. Under the Liquor Control Act a permit is necessary to buy native wine, but besides that very few changes were made. The produce of a winery is sold, either directly from the winery, or through the Ontario Liquor Commission. Moreover, a certain quantity of the wine is exported to other Provinces. This makes control very intricate. The wine exported is not under Provincial control, but it is stocked

in the same winery. The Ontario Liquor Commission has control over everything sold in its stores, but the control of what is sold directly from the winery is impossible. Everything should be under one control. The Province of Ontario could, judging by the Food and Drug Act, 1928, pass laws regulating the way wines are to be made. This right to regulate production is given to the legislature of the "Place of production" and therefore, out of the jurisdiction of the Federal Government.

As wines of the port and sherry type are very popular, mainly because of their tenure in alcohol, fortifying was allowed by the Ontario Liquor Control Act, (as a matter of fact ports and sherries have to have a minimum content of alcohol of 14% by volume and not more than 10% sugar). These wines used to be fortified by grain alcohol, but now only grape alcohol is allowed for this purpose.

Some wineries add honey to their wines for sweetening purposes. We find that in 1930

958,549 lbs. of honey were used, valued at
\$ 67,099 ¹/_—

Honey is an organic product entirely different from grape juice, and the results of this fancy addition are anything but pleasant to an educated palate. The inspiration probably came from Roman history, but it has been proved long ago that some of the fancy dishes and beverages of the Romans would certainly not be considered as a delicacy nowadays. Honey is liable to produce

1. Report on the Wine Industry in Canada - 1930. (Dominion Bureau of Statistics).

a second fermentation, sediments, and would ruin any wine having the least bit of finesse.

The sugar content of the Canadian grapes is lower and the acidity is higher. To neutralize this acidity sugar is added. The wineries are not allowed, by law, to add more than 250 lbs. of sugar per ton of grape for fortifying purposes. But they are allowed any amount they judge fit for the purpose of neutralizing the acidity of the wine. Beet sugar or even cane sugar produce a different alcohol than grape sugar and the addition of sugar is far from improving the quality of a wine.

There are no sugar laws in Canada. In France revenue officers check every pound of sugar sold to a winery and special permits are issued to this purpose.

In France a wine containing less than 7% alcohol by volume has to be sold to a government distillery and the farmer gets paid the market price per liter of alcohol distilled from this wine. Suppose a farmer in Ontario grows grapes which only produce 5% alcohol, by an addition of sugar he can get it up to 9% and by addition of alcohol the winery can raise it up to 15%. This juice is then sold as a wholesome beverage. This is not the only inconveniences of heavy addition of sugar. The worst effect is that such a wine does not keep over six months. After six months a second fermentation sets in and the wine usually "turns". Considering these drawbacks, close checking up of sugar addition would be advisable.

The policy of the wineries has done a lot of harm too. The wine business is a money making venture and demand regulates

supply. As explained before, the clientele of the wineries cannot boast of over^{ly} delicate palates - they want a cheap, strong beverage. The owners of the largest wineries have complied with this demand and have put a strong and cheap beverage on the market, forcing the smaller concerns, however willing they might have been to improve their product, to follow their policy or go under. A better wine would cost more to produce, and the speculation is not worthwhile from a business point of view, for their actual customers would be dissatisfied.

Even if a bold wine manufacturer decided to improve the quality of his wines, there is no way he could do it, for, (except in the Province of Quebec in which the sale of native wines is very small anyway) advertising of intoxicating beverages in any shape or form is strictly forbidden by law. It is to a great extent due to this law that the quality of the native wines has not improved as much as it would have without it. The prohibitionists who passed this law defeated their own purpose for they did not give the light, wholesome wines the necessary weapon to fight the heavily fortified ones. One winery in particular is selling a Sauterne type and a light claret which are a decided improvement on all the other wines produced in Canada, but the sale is negligible as yet for no one knows about it.

The industry is only ten years old and one cannot expect wonders. But why not pass a law, as everything seems to have to be done by laws, compelling the wineries to sell light wines which might be enjoyed with a meal. The prohibitionists were

defeated in 1928, and right through they had allowed the sale of native wines. If light wines were produced instead of ports and sherries they should be the first to be satisfied. It is through their lack of understanding of the question and through fanatical ⁿstubbornness that they have ^{accustomed}~~gotten~~ people ~~used~~ to a beverage which, to an unspoiled palate, can be of no other use ~~than~~^{but} as a stupefying agent. They have defeated their own purpose. If they want to do humanity some good, why not ask for heavy taxes on strong liquors and lighter ones on light wine and beer. This would be more worthy of an organization of intelligent people than the following statement :-¹

"A liquor sale "moratorium" for the duration of the present depression was proposed by Roscoe C. Rodd, Windsor prohibition leader. After reciting statistics (Oh! what can statistics not be used for) in support of the fact that liquor traffic was the most serious obstacle to economic recovery, Mr. Rodd declared his belief that the immediate stoppage of the manufacture and sale of liquor would result in prompt stimulation of industry".

We think that a comment is superfluous.

Wine drinkers are seldom drunkards,¹¹ therefore the wine industry should be encouraged to produce good wines and the people taught to enjoy them, for wine is infinitely less harmful than whiskey under the present system, or canned heat under prohibition. (Century old experience has proved this statement to be true and the W. C. T. U. would undoubtedly be the first to be pleased with the results.)

1. Montreal Daily Star, March 2nd, 1933.

11. Royal Commission Report on Liquor Traffic, Vol. 6, 1894.

Adam Smith says:- 1

"If we consult experience, the cheapness of wine seems to be a cause, not of drunkenness, but of sobriety. The inhabitants of the wine countries are in general the soberest people in Europe, etc".

Drinking cannot be rotted out (United States is a shining example) therefore, why not get people used to a harmless alcoholic beverage such as wine. If this is done the wine industry will flourish, but the first step towards making wine drinkers out of the Canadians is to give them a beverage worthy of this name. This, we are sure, is possible with the help of unprejudiced and skilled legislation.

1. "Wealth of Nations" Book IV, Chapter 111.

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Precipitation in inches.

Mean Temperature.

- A - Niagara Peninsula (Ont.)
- B - Okanagan Valley (B.C.)
- C - Pte. Ste. Maur. (France)

Precipitations.

- A' - Niagara Peninsula
- B' - Okanagan Valley
- C' - Pte. St. Maur.

Degrees Fahrenheit

80

70

60

50

40

30

20

10

0°C.

A'

C'

B

B'

A

A'

C'

B

December

November

October

September

August

July

June

May

April

March

February

January

GROWTH OF STATE WIDE PROHIBITION

<u>No.</u>	<u>State</u>	<u>Statutory or Constitutional</u>	<u>Adopted</u>	<u>Repealed</u>	
1.	Maine	Statutory	1846	1856	
2.	Illinois	"	1851	1853	
3.	Massachusetts	"	1852	1868	
4.	Rhode Island	"	1852	1863	
5.	Vermont	"	1852	1903	
6.	Michigan	"	1853	1875	
7.	Connecticut	"	1854	1872	
8.	Delaware	"	1855	1857	(Declared
9.	Indiana	"	1855	1856	--(unconstitut-
10.	Iowa	"	1855	1857	(innal by
11.	Nebraska	"	1855	1858	(courts
12.	New Hamp.	"	1855	1903	--(Declared
13.	New York	"	1855	1856	--(unconstitut-
1.	Maine	"	1858		(ional by
14.	Kansas	"	1867		(courts.
3.	Massachus.	"	1869	1875	
4.	Rhode Island.	"	1874	1875	
14.	Kansas	Constitutional	1880		(Declared
10.	Iowa	"	1882	1883	--(unconstitut-
1.	Maine	"	1884		(ional by
10.	Iowa	Statutory	1884	1894	(courts
4.	Rhode Island	Constitutional	1886	1889	
15.	South Dakota	"	1889	1896	
16.	North "	"	1889		
17.	Georgia	Statutory	1907		
18.	Oklahoma	Constitutional	1907		
19.	Alabama	Statutory	1908	1911	
20.	Mississippi	"	1908		
21.	Tennessee	"	1909		
22.	North Carolina	"	1909		
23.	West Virginia	Constitutional	1912		
24.	Colorado	"	1914		
25.	Virginia	Statutory	1914		
26.	Arizona	Constitutional	1914		
27.	Oregon	"	1914		
28.	Washington	Statutory	1914		
29.	Arkansas	"	1915		
30.	Idaho	"	1915		
10.	Iowa	"	1915		
21.	Alabama	"	1915		
31.	South Carolina	"	1915		
6.	Michigan	Constitutional	1916		
11.	Nebraska	"	1916		
15.	South Dakota	"	1916		
32.	Montana	"	1916		
33.	Utah	Statutory	1917		
9.	Indiana	"	1917		

Chart of Canadian Liquor Laws. Appendix III.

MANUFACTURED BY: RENOUF PUBLISHING CO., MONTREAL

Que.	Ont.	N.B.	N.S.	P.E.I.	B.C.	Man.	Alta.	Sas.	Yuk.	N.W.T.
L.C.	U.C.									
DUNKIN ACT C.T.A. (I)										1840
Province of License System										1845
Canada										1850
										1855
										1860
										1865
B.N.A. Act										1870
Dominion of Canada										1875
										1880
SCOTT ACT C.T.A. (II)										1885
										1890
Local Option System										1895
										1900
										1905
										1910
War Measures Act										1915
Doherty Act (Provincial Prohibition Enforcement Act)										1920
Amendment IV. Canada Temperance Act.										1925
PLEBISCITES.										1930
WET	D	R	Y	WET	D/R/Y	WET				
Liquor Commission System										1935

Liquor ^{1 & 2} Commissions	Hard Liquor ⁶	Wine	Beer	Permits	Permit Revenue	Commission Rev.	Who distributes the Profits
N. S. 1930	Only sold in Commission Stores	Sold by Comm- ission	Sold by Comm.No Taverns	Indiv. Permits	Paid directly to Provincial Treasurer	Reserve fund against admin- istration losses Net profits go to C.R.F. ³	R.F. at discretion of Gov. in Council Prov- incial Treas. for C. R. F.
N. B. 1927	Sold by Comm. only	Sold by Comm. only	Sold by Comm.No Taverns	No. Indiv. Permits		Same as N.S.	R.F. & C.R.F. at discretion of Gov. in Council
Que. 1921 ²	Sold by Comm.	Sold by Comm. & In Hotels	In Groc- eries & Taverns	Same as N.B.	All Rev. paid to Comm. which pays cost of admin.	Paid to Prov. Treas. part of C.R.F. of Prov.	Res. Fund paid by Comm. Prov. Treas. for C.R.F.
Ont. 1927	Sold in Govt. Store.	Permits Required	Sold by Comm. Permit for Wine & Beer	Same as N. S.	Part of Gen. Prov. Revenue	Same as N. S.	R.F. at discretion of Gov. in Council, Lieut. Gov. in Council disposes of C.R.F.
Man. 1928	Sold by Comm.	Same as Ontario	Taverns & In Govt. Stores.	Same as N. S.	Paid to Comm. Reserve Fund against administration expense, net pro- fits paid to Cons. Revenue Fund.	Same as N. S.	R.F. supervised by Gov. in Council. Prov. Treas for C.R.F.
Sask. 1925	In cities only Not in district Stores. Only 25 cities can sell liquor	Sold in Comm. Limit of 1 gal. per day.	Sold by Comm. Only.	Same as N. S.	Paid directly to to Prov. Treas.	Same as Ont.	Treasury Board stipulates how much in R.F. and C.R.F.
Alta. 1924	Same as Ont.	Same as Ontario	Same as Man.	Same as N.S.	Same as Sask.	Same as N.S.	R.F. fixed by Lieut. Gov. in C. Rest goes to C.R.F.
B.C. 1921	Same as Ont.	Same as Ontario	Same as Man.	Same as N.S.	Same as Sask.	Same as N.S.	Govt. fixes R.F. Remain- der goes to C.R.F. ⁴

1. All Commissions have to make an annual report.
2. No Government Liquor Stores in any city or county who have voted dry under the Scott Act.
3. Consolidated Revenue Fund means Prov. Cons. Rev. Fund (R.S. means reserve fund against Administration losses.
4. 23% to be paid to municipalities in proportion to the aggregate number of days pupils attended schools.
5. Quebec is the only Province in which liquor can be advertised.
6. In all Commissions only one bottle of hard liquor can be bought at a time.

PER CAPITA CONSUMPTION OF INTOXICATING BEVERAGES IN CANADA.
(In Gallons)

1868 - 1932.

<u>Date</u>	<u>Consumption p.c. of Imported Wines</u>	<u>Consumption p.c. of Native Wines</u>	<u>Consumption p.c. of Spirits.</u>
1868	.17		
1869	.115		1.124
1870	.195		1.434
1871	.259		1.578
1872	.257		1.723
1873	.238		1.682
1874	.288		1.994
1875	.149		1.394
1876	.177		1.204
1877	.096		0.975
1878	.096		0.960
1879	.104		1.131
1880	.077		0.715
1881	.099		0.922
1882	.120		1.009
1883	.135		1.090
1884	.117		0.998
1885	.109		1.126
1886	.110		0.711
1887	.095		0.746
1888	.094		0.645
1889	.097		0.776
1890	.104		0.883
1891	.111		0.745
1892	.101		0.701
1893	.094		0.740
1894	.089		0.742
1895	.090		0.666
1896	.070		0.623
1897	.084		0.723
1898	.082		0.536
1899	.086		0.661
1900	.085		0.701
1901	.100		0.757
1902	.090		0.786
1903	.092		0.848
1904	.093		0.917
1905	.093		0.895
1906	.095		0.898
1907	.095		0.977
1908	.102		0.939
1909	.091		0.860
1910	.105		0.883

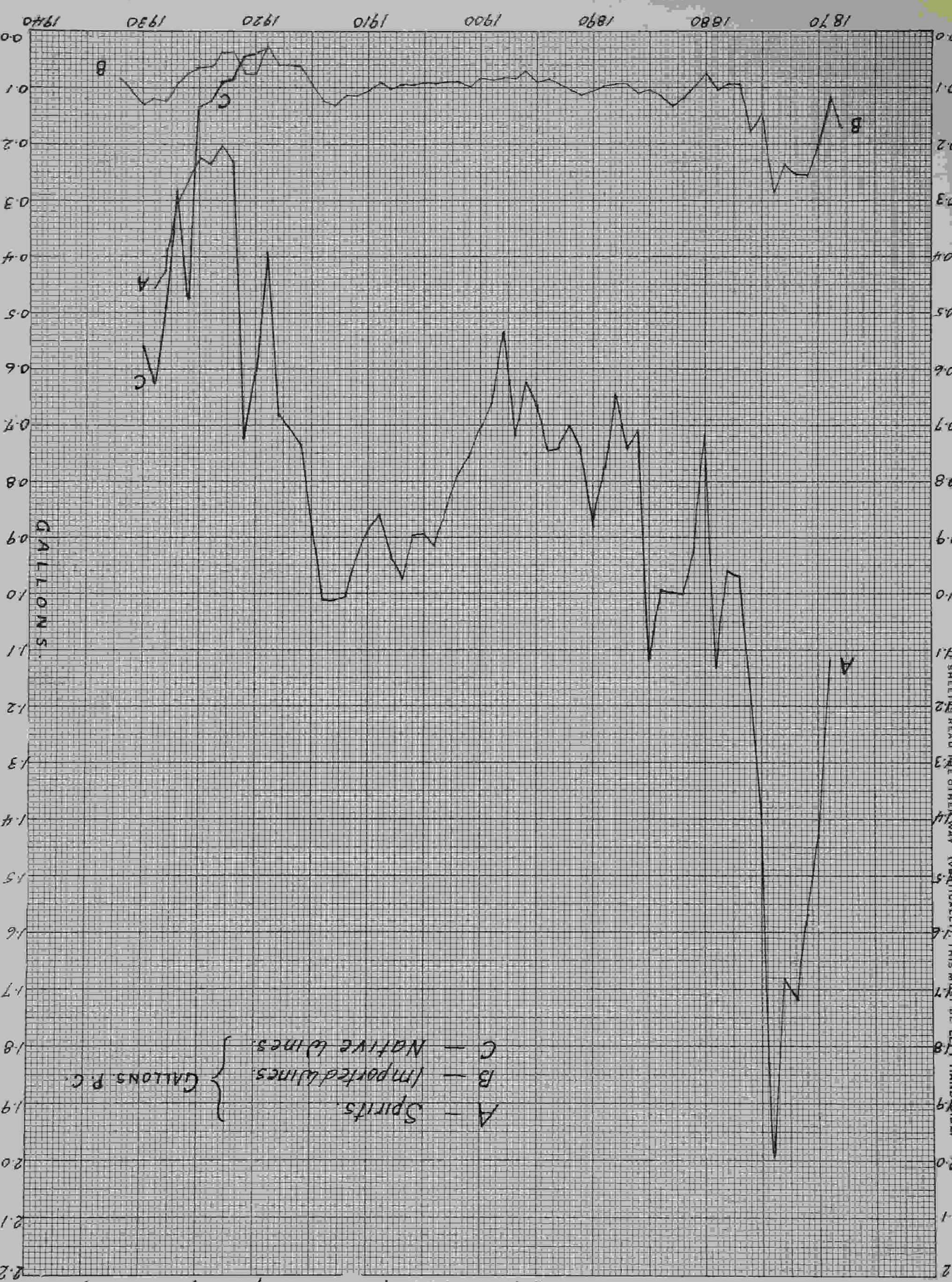
Wines grown but no record of either production, sale or consumption before 1919.

1911	.114		0.948
1912	.114		1.030
1913	.131		1.136
1914	.124		1.103
1915	.095		0.886
1916	.062		0.739
1917	.061		0.703
1918	.061		0.682
1919	.025	.030	0.395
1920	.078	.040	0.608
1921	.077	.049	0.723
1922	.037	.086	0.231
1923	.037	.091	0.204
1924	.062	.126	0.235
1925	.066	.134	0.225
1926	.074	.475	0.267
1927	.091	.287	0.304
1928	.120	.491	0.425
1929	.120	.621	0.458
1930	.130	.565	
1931	.106		
1932	.084		

(See Chart Appendix 4)

Graph of per Capita Consumption of Spirits, and Wines (Native & Imported).

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IMPORTS OF WINES FOR CONSUMPTION (in Gallons)

<u>Date</u>	<u>Gallons</u>
1868	-
1869	-
1870	-
1871	599,741
1872	780,604
1873	730,890
1874	885,470
1875	559,471
1876	676,429
1877	300,611
1878	372,772
1879	412,260
1880	307,880
1881	449,693
1882	550,059
1883	611,155
1884	534,141
1885	508,481
1886	487,391
1887	451,368
1888	468,646
1889	499,195
1890	545,856
1891	538,386
1892	496,027
1893	478,666
1894	430,158
1895	434,992
1896	338,327
1897	405,992
1898	396,326
1899	415,659
1900	410,825
1901	537,105
1902	594,030
1903	631,910
1904	645,703
1905	658,467
1906	714,923
1907	549,912
1908	789,774
1909	728,431
1910	874,428

1911	1,003,282
1912	1,068,102
1913	1,291,214
1914	1,285,809
1915	903,850
1916	565,571
1917	639,047
1918	717,590
1919	355,457
1920	740,433
1921	714,980
1922	384,211
1923	559,273
1924	598,125
1925	706,717
1926	736,311
1927	901,857
1928	1,263,438
1929	1,334,792
1930	1,365,321
1931	1,089,897

Graph of Imports of Wines Compared to Appendix VI. Graph of Consumption of Imported Wines per Capita.

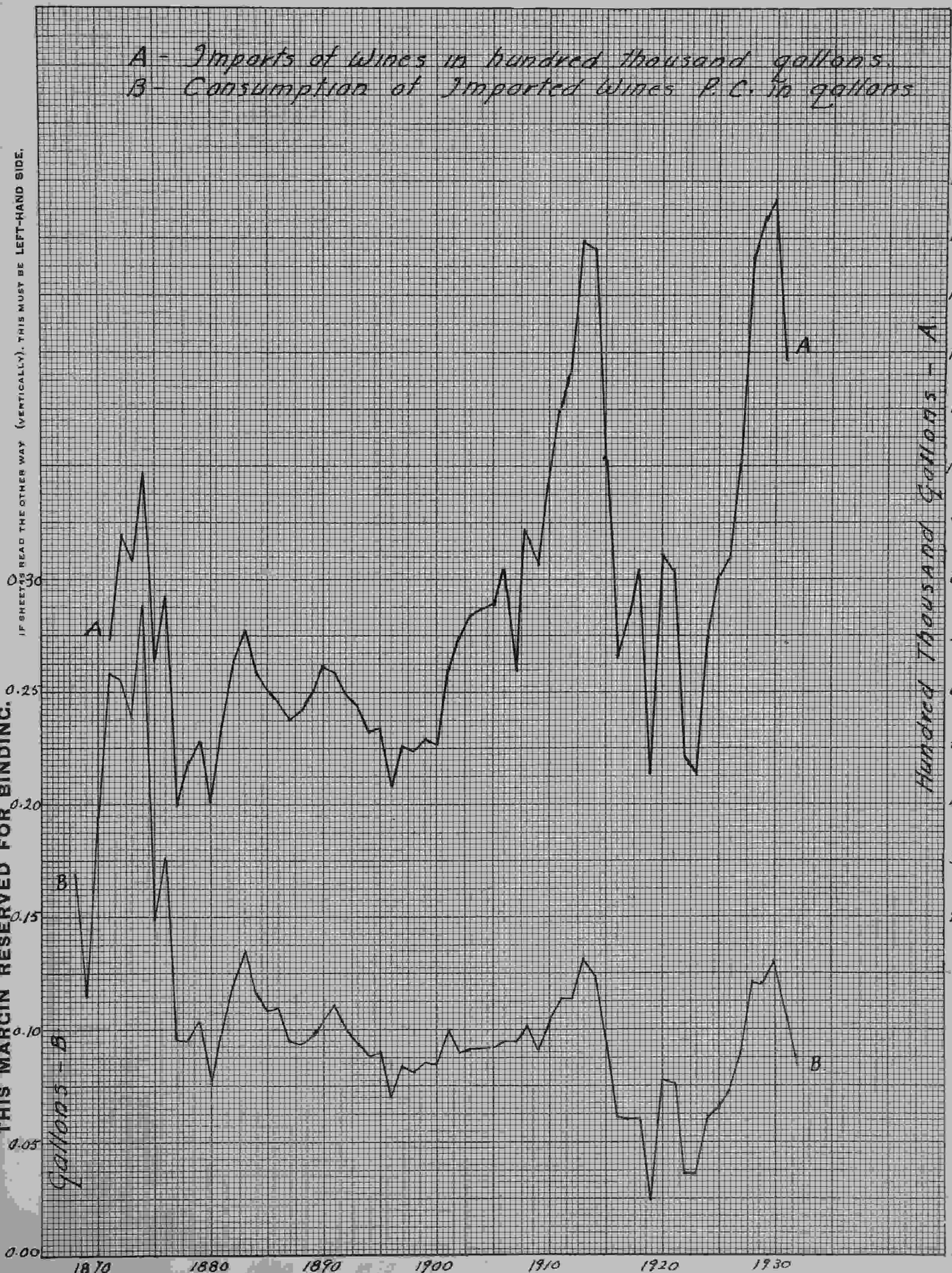
MANUFACTURED BY. RENOUF PUBLISHING CO., MONTREAL

FORM 100

A - Imports of wines in hundred thousand gallons.
 B - Consumption of Imported wines P.C. in gallons.

IF SHEETS READ THE OTHER WAY (VERTICALLY). THIS MUST BE LEFT-HAND SIDE.

THIS MARGIN RESERVED FOR BINDING.



Hundred Thousand Gallons - A

Gallons - B

Graph of Imports of Wines P.C. compared
to Graph of Production of Native Wines P.C.

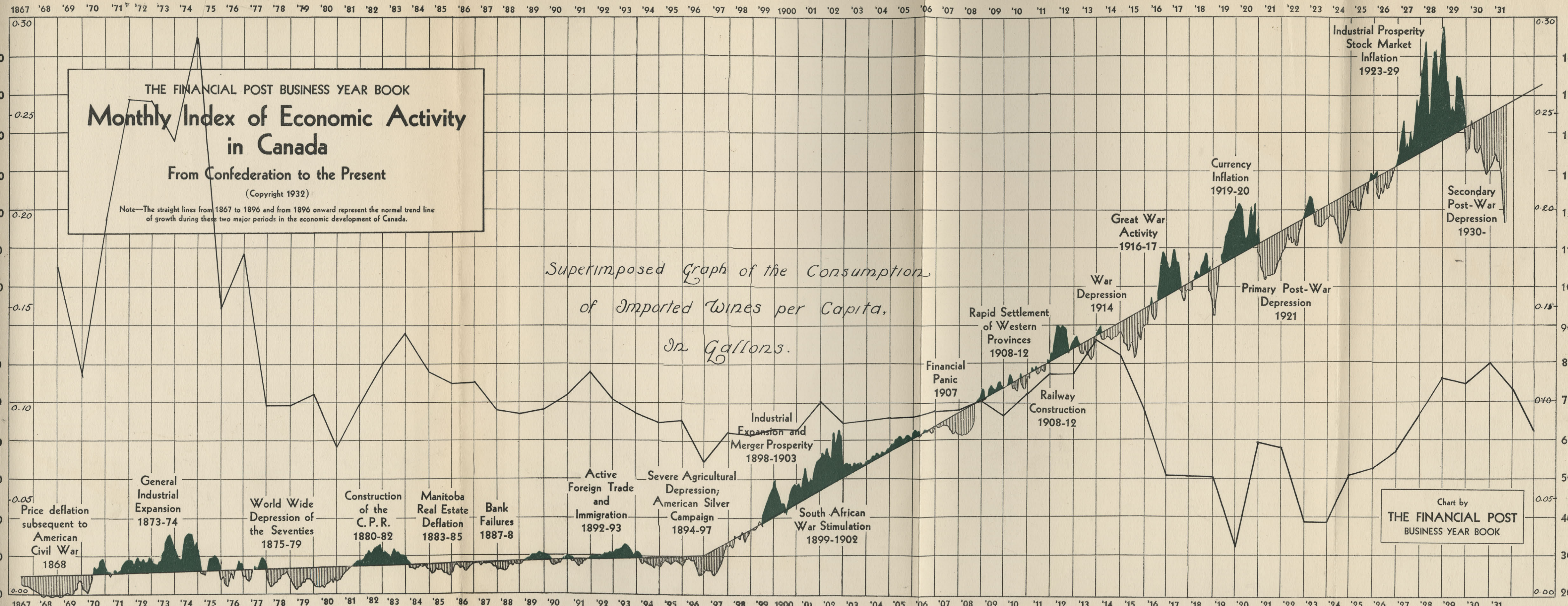
Appendix VII.

MANUFACTURED BY: RENOUF PUBLISHING CO., MONTREAL

FORM 100

A - Imported Wines } Gallons per Capita
B - Native Wines }





CUSTOM DUTIES ON WINES.

Any alcoholic beverage containing over 42% alcohol comes under "spirits"

1868 - In Wood - below 26% 10¢ per gallon
 - above 26% 25¢ per gallon
 - below 42% 25¢ per gallon

In bottles - below 42% quarts - \$ 1.50 per dozen
 " " pints - .75 " "

Whether in wood or bottle, an additional 3¢ per gallon for every degree above 42%.

1869 - 20% ad valorem and a specific duty of 10¢ per gallon.

1872 - 25% " " " " " " 10¢ " "

1874 - In Wood - below 20% 30¢ per gallon
 above 20% 60¢ per gallon

1877 - All Wines - less than 20% not worth more than 48¢ p. gal.
 duty 36¢ per gallon.
 All others in wood 72¢ per gallon.

1879 - 25¢ per gal. 3¢ per gallon extra from 26% to 40% and
 30% ad valorem
 Sparkling 30% ad valorem added to previous duty.

1883 - Increase of custom duties for Sparkling Wines

1891 - Wines and Champagnes - \$ 3.30 per dozen quarts
 \$ 1.65 " " pints
 \$ 0.82 " " 1/2 pints.
 \$ 1.65 per gallon for all over 1 quart in a bottle,
 in addition to 30% ad valorem.

1893 - Treaty with France - Wines of less than 26% alcohol are
 exempted from 30% ad valorem.

1894 - Custom duties confirmed.

1897 - Introduction of British Preferential Tariff.

1900 - British preferential tariff is not to apply to wines
 and liquors.

1905 - Non-sparkling wines, when imported or produced in a
 British Territory, not containing more than 40% alcohol
 pay a duty of 25¢ a gallon.

- 1907 - Same as before, except when bottles contain more than 1 quart, the content over and above the quart is taxed at \$ 1.50 per gallon Plus 30% ad valorem.
- 1908 - French Convention Act (Schedule "C")
- | | | |
|-------|-------------------|----------------|
| Wines | below 20% | 15¢ per gallon |
| | between 20% & 23% | 20¢ per gallon |
| | " 23% & 26% | 25¢ per gallon |
- For every degree above 26% and below 40% 3¢ extra per gal.
- 1915 - Customs Tariff War Revenue Act.
- Increase of 5% for British and $7\frac{1}{2}\%$ for Foreign goods over the 1907 tariff.
- Except French wines as stated in Exemption (b);
- "The following goods shall be free from the foregoing provisions: Goods enumerated in Schedule "C" of the French Convention Act of 1908" etc.
- 1919 - The British 5% extra repealed together with all duties imposed by the "Customs Tariff War Revenue Act" of 1915.
- 1921 - Franco Canadian trade treaty:
15¢ for wines below 26%, no ad valorem.
- 1932 - Repeal of the Franco-Canadian Trade Agreement.

SALES AND EXCISE TAXES

<u>Date</u>	<u>Imported Wines Sales Tax</u>	<u>Canadian Wines Sales Tax</u>	<u>Excise on all Wines</u>
1920	1%(paid by importer)	2%	--(30¢ per gal. flat
1920	2%(paid by retailer)	2%	(\$3.00 per gal. Sparkling
May 1921	4%(general)	3%	(added to custom duties.
May 1922	6% "	4½%	
1923			--(7½¢ per gal. flat
Jan 1924	6% "	6%	(\$1.50 per gal. sparkling
Apr 1924	5% "	5%	(Still in vigor
1925			
1926			
Feb 1927	4% "	4%	
Feb 1928	3% "	3%	
Mar 1929	2% "	2%	
May 1930	1% "	1%	
June 1931	4% "	4%	
Apr 1932	6% "	6%	
			<u>EXCISE ON IMPORTS</u>
			1%
			3%

APPENDIX XI

THE CANADIAN WINE INDUSTRY

	1871	1881	1891	1901
Establishments	n	10	41	14
Capital	o	86,800	396,475	534,055
Employees	t	36	150	125
Wages & Salaries	h	10,953	37,955	33,620
Cost of Materials	i	23,145	111,200	130,675
Value of Product.	ng	59,620	254,489	289,350

	1911	1921	1922	1923
Establishments	13	13	12	16
Capital	898,170	1,966,659	1,939,831	2,257,413
Employees	86	128	146	159
Wages & Salaries	54,781	156,409	189,211	197,388
Cost of Materials	184,798	350,098	500,568	675,090
Value of Product.	363,200	706,289	1,136,075	1,624,382

	1924	1925	1926	1927
Establishments	22	24	27	30
Capital	2,636,728	2,944,943	3,678,458	4,405,027
Employees	155	171	204	246
Wages & Salaries	231,875	246,746	294,820	323,143
Cost of Materials	612,521	781,307	1,349,787	1,526,018
Value of Product.	1,325,333	1,624,742	2,485,136	2,531,227

	1928	1929	1930	1931
Establishments	38	47	44	
Capital	5,705,568	7,915,368	8,557,966	
Employees	288	411	413	
Wages & Salaries	357,303	495,154	561,229	
Cost of Materials	2,206,666	3,143,367	2,616,290	
Value of Product.	3,674,545	5,541,233	5,025,257	

Acreage	1901	1927	1928	1929	1930	1931
Ontario	5440	7905	8,855	11,255	11,586	15,793

