

*Numbered Document*

Institute of Administrators of Non European Affairs  
Instituut van Administrateurs van Nie Blanke... Angeleenthede

Southern Africa  
Suidelike Afrika



C 32.

SOME ASPECTS OF THE  
DISTRIBUTION AND CONSUMPTION  
OF ALCOHOLIC LIQUOR

---

Paper delivered at the  
ELEVENTH ANNUAL CONFERENCE  
at  
MOSSEL BAY  
by  
J.A.H. VAN NIEKERK, B.COMM.,  
DIRECTOR OF THE BREWERS' INSTITUTE OF S.A.

---

August 1962

SOME ASPECTS OF THE  
DISTRIBUTION AND CONSUMPTION  
OF ALCOHOLIC LIQUOR

---

Contents

1.	Introduction	Page 1
2.	The International Picture	4
3.	The Picture in Africa	9
4.	Distribution within the Republic	11
5.	Consumption within the Republic	18
6.	Some Conclusions	26

---

SOME ASPECTS OF THE  
DISTRIBUTION AND CONSUMPTION  
OF ALCOHOLIC LIQUOR

---

1. INTRODUCTION

Next to politics, liquor is probably the most controversial topic one can introduce into a discussion in this country. Discussions involving liquor usually bristle with subjective prejudices - not infrequently because the participants have absorbed considerable quantities of the subject at issue. I feel it is therefore necessary for me at the outset to give you the assurance that if in the course of my address I seem to adopt a subjective approach it is not because of the fact that I have absorbed a quantity of the subject myself. This does not mean that I am so rashly optimistic as to expect you to accept the views and conclusions I have arrived at as being the only valid ones. I ask only that you accept them as reflecting a sincere attempt at being objectively realistic in dealing with a highly contentious matter.

Most of you have recently entered, or will shortly enter, the liquor trade and it will be my endeavour to supply you with some of the facts which constitute the backdrop against which you will be operating your liquor outlets, and along these lines I am hopeful of making some small contribution towards the solution of the policy and practical problems which you are, and will be, facing in this connection. The more information we have at our disposal the better are our chances of finding the right solution to our problems. Quite obviously there is no simple set of remedies which will heal all the growing-pains that will inevitably be prevalent for a long time to come in the experiment of making European liquor legally available to the Bantu section of our population. All I can endeavour to do is to provide you with some guide posts, indicating the general direction along which you can reasonably expect to find the answers to your problems, in the light of practical experience gained both in the Republic and elsewhere.

In this address I do not propose to concern myself with the question of whether the consumption of alcohol per se is

/desirable...

desirable or not. Man has known and consumed alcohol since the dawn of pre-historic time. In this country, more than 300 years ago, Van Riebeeck noted in his diary in 1658 that he had successfully brewed beer from barley grown at the Cape. A year later he produced the first wine from locally grown grapes. The enjoyment of alcoholic beverages is deeply entrenched in our way of life and successive efforts at prohibition in various parts of the world and throughout the centuries have proved unsuccessful.

But what I am very much concerned with is the question of the elimination of the abuse of alcohol. This I believe to be the only realistic approach to the problem. If we could find a way of eliminating the excessive and harmful use of alcohol we would have succeeded in removing all reasonable objections to the consumption of alcohol. A realistic approach, however, requires us to face up to the fact that there is such a thing as alcoholism. According to the Alcoholism Sub-committee of the World Health Organisation, approximately 2% of the members of most communities are alcoholics, or, in other words, persons constitutionally addicted to alcohol. Alcoholism is today recognised as a disease which can be effectively treated. On the other hand I believe that the abuse of alcohol amongst the remaining 98% of the population can be successfully curbed, firstly, by applying the correct educational procedures in the case of those who get themselves into trouble through ignorance, and, secondly, by imposing adequately severe penalties upon those who perversely persist in anti-social behaviour.

Most of us know that alcoholic liquor is something which, judiciously imbibed, produces a pleasant feeling of conviviality; when taken in excessive quantities produces certain other symptoms culminating the following morning in a remorseful hangover; and that brandy is stronger than, for example, beer. But I deem it essential for purposes of this discussion, however, that we define and describe alcoholic liquor in somewhat more exact terms than the popularly accepted ones.

The Liquor Act defines "liquor" as -

- "(a) any spirit other than methylated spirit, wine, liqueur, malt liquor, cider, perry, hop beer, and eau-de-cologne;
- (b) any drink containing more than 2% by volume of alcohol;"

/The ....

The definition continues to include any drink which may, by proclamation, be declared to be "liquor" and any drink with which anything defined as liquor has been mixed; but it specifically excludes Bantu beer as defined in the Bantu Beer Act of 1962.

I find it difficult to refrain from commenting on the anomaly created by our legislators in subjecting European beer and cider, for example, with an alcoholic content of slightly over 3%, to all the restrictions prescribed in the Liquor Act, whereas Bantu beer, which under certain circumstances can contain more than double that amount of alcohol, is exempted from virtually all these restrictions.

For practical purposes liquor can be divided into three main categories - spirits, wine and beer - and I propose to describe briefly the principal characteristics of these three types of liquor. All spirits are the product of a distillation process. Thus brandy is distilled from wine, gin distilled either from wine or from a fermented grain extract and whisky exclusively from the latter extract. Liqueurs are merely spirits to which flavouring and colouring matter have been added. In this country all spirits, whether they be brandy, gin or whisky, are bottled at a strength of approximately 43% alcohol by volume.

Natural or table wine basically is fermented grape juice and it has an alcoholic content of between 10 and 12 per cent by volume. Fortified wine is made from partly fermented grape juice to which brandy has been added and this accounts for its higher alcoholic content of between 16 to 20 per cent by volume.

Beer can be described as an extract of malted barley which has been allowed to ferment and which has an alcoholic content varying from 3.5% by volume in the case of the so-called "low-gravity beers" to 5% in the case of stout. The alcoholic content of lager beer is generally in the vicinity of 4.3% by volume. Most of you know much more about Bantu beer than I do and for this reason I shall say no more about it beyond drawing attention to the close similarity between Bantu and European beer. The latter is, in fact, a modern refined version of the former and I was interested to find that in Germany a brew, virtually identical to our Bantu beer, is produced as a novelty for tourists and it is claimed to be an exact replica of the 16th-Century forerunner of modern German lager beer.

## 2. THE INTERNATIONAL PICTURE

Before dealing with the distribution and consumption of liquor within the Republic I propose sketching an outline of the situation as we find it, firstly, in the Western World, and, secondly, in other African states. In submitting the statistical data which follow I want to make it clear that I fully recognise their shortcomings and limitations. In some instances they are not altogether up-to-date and in others the data in respect of the various countries are perhaps not strictly comparable, in that different formulae have been employed in arriving at the figures. I feel satisfied, however, that they are accurate enough to provide us with reliable indications of significant trends and tendencies.

In 1957 I had the opportunity of devoting some twelve months to an investigation of the control of liquor consumption in 26 countries in various parts of the world. In the course of this investigation I came to the realisation that some provisions in our Liquor Act - such as those, for example, which prohibit women from entering bars; which enforce the closing of licensed premises on Sundays; which restrict the sale of liquor by the bottle to bottle stores and to those hotels which had acquired off-sale privileges before 1928; and which impose innumerable discriminations based on race - which are assumed to be standard and universal, are in fact either unique to this country or apply to only one or two other countries in the world. Please note that I do not say that because these provisions are unique, that they are either good or bad. I merely want to emphasise the danger of purely traditional attitudes standing in the way of a cold and objective analysis of liquor matters.

Let us first of all look at South Africa's liquor consumption pattern in relation to that of other countries.

The figures in Table I (on page 5) do not take into account illicitly produced liquor nor, in the case of South Africa, the fact that an unknown percentage of European liquor reaches the Bantu via illicit channels, and to this extent they must be accepted as being inaccurate. On the assumption that many of these inaccuracies cancel themselves out I believe that the figures in the table are sufficiently accurate to allow us to draw certain conclusions from them.

/TABLE I ....

TABLE I

PER CAPITA CONSUMPTION OF ALCOHOLIC LIQUOR  
DURING 1959 EXPRESSED IN GALLONS

	Spirits	Wine	Beer	Alcohol <sup>1</sup>
France	0.7	27.0	8.8	3.4
Italy	0.4	21.5	1.2	2.4
West Germany	0.7	2.3	20.1	1.4
Belgium	0.3	1.8	26.0	1.4
Australia	0.3	1.3	22.7	1.2
New Zealand	0.4	0.4	21.1	1.1
<u>South Africa</u> <sup>2</sup>	<u>1.0</u>	<u>4.5</u>	<u>3.5</u>	<u>1.1</u>
U. S. A.	0.9	0.7	12.8	1.0
Canada	0.8	0.3	13.3	1.0
Sweden	1.0	0.7	8.5	0.9
United Kingdom	0.3	0.3	17.6	0.8
Norway	0.5	0.5	5.2	0.5
Netherlands	0.5	0.3	5.2	0.5
Average	0.6	4.7	12.8	1.3

1 Converting the various types of alcoholic drinks on the basis that

Spirits contains 50% alcohol by volume  
Wine contains 10% alcohol by volume  
Beer contains 4% alcohol by volume.

2 Based on European, Coloured and Indian population only.

From the angle of the intake of actual alcohol the 13 countries fall into three groups - France, Italy, West Germany and Belgium constituting the group with the highest consumption figure; Sweden, the United Kingdom, Norway and the Netherlands forming the group with the lowest figure; and the younger countries occupying the middle position. The countries of the first group have the least restrictive legislation controlling alcohol but, interestingly enough, at the same time they also experience less drunkenness and anti-social behaviour resulting from the use of alcohol. In these countries the consumption of liquor usually takes place in a wholesome, pleasant environment and mainly in conjunction with food. It is thus not surprising to find that beer or wine predominates.

/A ....

A characteristic of the four countries with the lowest intake of alcohol is that their laws attempt to control the distribution and consumption of liquor both rigidly and restrictively. In Norway, for example, both the production and the sale of liquor is conducted as a state monopoly and yet more illicit production of liquor, smuggling of liquor and abuse of liquor take place in that country than elsewhere in Europe. The Swedes, Norwegians and Hollanders are renowned as hard drinkers and, as the above figures indicate, they prefer hard-tack to wine or beer. The United Kingdom is the odd-man-out in this group because it is mainly a beer-drinking country and also, because its liquor legislation, despite its apparent complexity and rigidity, is interpreted and administered in such a way that, like the British Constitution, it rarely conflicts with accepted social customs.

Australians and New Zealanders take their alcohol principally in the form of beer whereas South Africans in common with Americans and Canadians reveal a predilection for spirits. The table shows that as regards the total intake of alcohol South Africa occupies the middle position but that as far as beer is concerned it is at the bottom of the list, at the top when it comes to spirits and that it lies third in the wine stakes.

The question arises: what causes these differences in the drinking pattern and the quantities of alcohol consumed? I am going to suggest a few of the factors which have a bearing on this matter. Climatic conditions influence a person in his choice of drinks. In a hot climate, thirst-quenching light alcoholic drinks are generally preferred and at a later stage in my address I shall demonstrate how in this country the consumption of beer, for example, rises and falls with the thermometer. In winter the consumer looks for something which will warm him up and tends towards spirits with its high alcoholic content.

Temperament also plays its part in that the relaxed easy-going type of person generally prefers beer or wine while the tense type is more inclined towards shorter and stronger forms of drink. Tradition has its role and the high consumption of beer in Australia and New Zealand can be ascribed to the projection of the English beer-drinking tradition into that part of the world.

/Those ....



Those types of liquor which are produced locally always feature prominently in a country's drinking pattern. This is undoubtedly the principal reason for the large quantity of wine consumed in France and Italy in contrast to the high consumption of beer in West Germany and Belgium. Local production also has an important bearing upon the price at which liquor is available because not only is the local product less expensive than the imported one, but governments accord preferential treatment to locally produced products as regards taxation. In the long run the price factor overrides all other factors in determining both the relative quantities of the various types of liquor as well as the total amount of liquor consumed.

It is many years since governments first discovered that liquor was a goose which could be made to lay an almost infinite number of golden eggs. Today we find that excise and customs duties on liquor not only provide a substantial segment of state revenue but are also used to guide drinking patterns in the direction desired by the government, whether it be for economic or sociological reasons. These duties therefore play a determinant role in the liquor consumption pattern of any country as is clearly reflected in Table II on page 8.

A comparison of the figures given in Table I with those in Table II reveals an inverse relationship between the rate of taxation on a type of liquor and its per capita consumption. Although the tax on beer in South Africa is not unduly high by comparison with world standards, the explanation for its very low consumption figure is to be found in the fact that wine and spirits even today carry a relatively light rate of duty - and in this conjunction it must be remembered that a tax on wine was introduced for the first time as recently as the 1962 Budget when the duty on spirits also underwent a considerable increase.

/ TABLE II .....

TABLE II

COMPARISON OF LIQUOR PRICES<sup>1</sup>  
AND TAXATION<sup>2</sup> PER BOTTLE<sup>3</sup>

Country	BEER		NATURAL WINE		SPIRITS	
	Retail Price	Taxes	Retail Price	Taxes	Retail Price	Taxes
	cents	cents	cents	cents	cents	cents
France	15.0	3.3	10.0	2.0	225.0	90.0
Italy	20.0	3.0	10.0	1.3	125.0	40.0
West Germany	22.5	2.5	35.0	2.5	205.0	80.0
Belgium	12.5	2.5	20.0	6.3	285.0	120.0
Australia	25.0	12.5	40.0	-	135.0	75.0
New Zealand	20.0	5.0	60.0	10.0	220.0	170.0
<u>South Africa</u> <sup>4</sup>	<u>22.0</u>	<u>8.8</u>	<u>24.0</u>	<u>2.5</u>	<u>173.0</u>	<u>82.0</u>
U. S. A.	35.0	4.6	50.0	4.2	250.0	170.0
Canada	25.0	6.7	60.0	11.7	280.0	130.0
Sweden	35.0	15.0	40.0	8.3	220.0	160.0
U. K.	22.5	11.7	70.0	21.7	320.0	267.0
Norway	22.5	10.0	70.0	20.0	300.0	200.0
Netherlands	16.0	2.1	60.0	7.1	200.0	85.0
Average	22.5	6.7	42.2	7.5	226.0	128.4

1 The prices quoted are in respect of the cheapest drinks of average strength available for off-consumption in the country during 1957. In the case of France and Italy the prices for natural wine are those applying to wines purchased by the retailer in bulk and decanted into the purchaser's own container.

2 Taxation includes all forms of direct taxes levied by the State and local authorities. In cases where local taxes vary in the same country an average representative figure has been taken.

3 The unit of a bottle, as used in this table, equals one-sixth imperial gallon, or one-fifth U.S. gallon or .75 litres or 26 fluid ozs.

4 Prices prevalent in 1962.

3. THE PICTURE IN AFRICA

Alcoholic liquor in one form or another was known to the indigenous people of Africa long before the advent of the White man. The relatively mild and harmless fermented drinks made from various types of grain or the juice of wild fruit formed part of their traditional way of life. The African became acquainted with spirits and other types of potent alcoholic liquor through the White man, often with tragic results. This led to the signing of the International Convention of St. Germain en Laye in 1919, in terms of which the metropolitan powers with possessions in Africa agreed to ban the sale of spirits to the Native population. This Convention remained in force until the Second World War.

During the past 20 years the prohibition on the sale of alcoholic liquor to the Natives of various parts of Africa has been gradually withdrawn mainly because large sections of the indigenous population were deserting their tribal customs and clamouring to be allowed to do as the White man does. These emergent attitudes and wants provided bootleggers with flourishing markets, not unlike the situation which we have known in this country.

Until August 15, 1962 South Africa was the only country on the African continent which prohibited its indigenous population from legally acquiring European liquor. But I suspect that despite this former prohibition the per capita consumption of European liquor amongst our Bantu nevertheless has been one of the highest in the continent. Furthermore, I believe that there has been a greater degree of abuse of alcohol and more criminal offences flowing from the consumption of alcohol in the Republic than elsewhere.

There has been much speculation, and in some circles considerable apprehension, about the consequences which might flow from the removal of the prohibition on the sale of European liquor to the Bantu, and it might be of interest to you if I gave you my impressions of the experience of certain other African territories that I have visited during the past ten years. Allow me to generalise at the outset, and say that the lifting of prohibition resulted in every instance in an improvement in the drinking habits of the African and also in a decrease in the number of criminal offences associated with liquor.

/I ....

I must mention, however, that in all these territories the price of spirits in relation to that of mild drinks, such as beer and natural wine, was high enough to act as a deterrent to its consumption amongst the lower income group of the population. In other words, economics rather than legal restrictions curb the excessive consumption of spirits.

I cannot speak of the Congo of recent years but while it was under Belgian rule there were virtually no restrictions on the sale of beer and wine to all sections of the population. In fact, the trade in perishable foods was under considerably tighter control than that in beer and wine. The government, as a matter of fact, went out of its way to make beer and wine freely available as a counter-measure to the traditional Native drinks, some of which are of a high alcoholic content and contain substances dangerous to health. Despite this liberalistic attitude, or perhaps because of it, the behaviour of the African at drinking places was particularly exemplary, and disorderly conduct a rarity. Drunkenness and misbehaviour were severely penalised.

East Africa was one of the first territories to permit the sale of spirits to the African. But because the price of a quart of local beer was less than 20 cents and that of the cheapest spirits over 300 cents the African availed himself of the latter only on special occasions. Spirits became a status symbol and in most bars one came across small groups of white-collar Africans nursing their whiskies from one hour to the other for the simple reason that they could not afford more than one tot at 5s.Od. or more.

I did not see a single Native under the influence of liquor in Mozambique and yet beer and wine, particularly the latter, is available to him at any roadside store. I suggest that this is probably due to the fact that there is no challenge or adventure associated with the acquisition or consumption of liquor in the mind of the Mozambique Native and that he is fully aware of the dire penalties awaiting the drunkard.

Because the situation in the Federation resembles that in the Republic in so many respects we can learn much from their experience in legalising the sale of European liquor to the

/African ....

African section of its population. Beer and wine were released to Africans in Nyasaland in 1947, in Northern Rhodesia in 1948 and in Southern Rhodesia in 1957. A few years ago spirits was freed in Nyasaland and Northern Rhodesia, and at the beginning of this year in Southern Rhodesia. The pattern for the distribution of liquor amongst Africans in the Federation is not dissimilar to the pattern now operating in the Republic. There is however a difference in Nyasaland and Northern Rhodesia, where private enterprise, mainly African, is filling an increasingly important role in the liquor trade. In Southern Rhodesia the bulk of the on-consumption distribution takes place through outlets operated by municipalities and large employers of African labour. I think the Rhodesian delegates to this Congress will agree with me when I say that except for minor teething troubles during the initial stages, the Federation experienced no serious problems in connection with the introduction of the supply of European liquor to the African. The fears that were expressed when these steps were first mooted - not unlike those recently aired in South Africa - have all proved to be completely unfounded.

#### 4. DISTRIBUTION WITHIN THE REPUBLIC

In considering how liquor is distributed in the Republic I propose to start by dealing briefly with our liquor legislation - which has the control of this activity as its principal object.

The Liquor Act of 1928, as amended, and the regulations promulgated thereunder lay down the framework within which the liquor trade throughout the Republic operates. Prior to the passing of this Act there were four substantially different Provincial Liquor Ordinances in operation. The main object of this Act was to achieve uniformity throughout the country in regard to liquor distribution and to entrench the prohibition of European liquor for the Bantu. The majority of the 175 Sections of this voluminous and complex piece of legislation have as their direct or indirect purpose the enforcement of this prohibition. As loopholes became apparent they were closed up by a multiplicity of amending Acts.

/The ....

The Liquor Amendment Act of 1961 lifted the prohibition on the sale of European liquor to the Bantu but all the restrictive control measures which were devised to assist the police in enforcing this prohibition continue to remain in operation. There is probably much to be said for encumbering the liquor trade, including municipalities and employers which operate outlets for the Bantu, with these now redundant provisions until the experiment has been successfully launched, but I sincerely hope that the day is not far off when we shall have a straight-forward, brief Liquor Act which is understandable to the layman and which deals with the distribution of liquor in a common-sense and realistic manner. Controls and restrictions are inevitable in our complex modern social and economic structure, and especially in respect of a potentially harmful item such as alcoholic liquor, but before we introduce them let us ensure that they are really necessary and that they will meet the reasonable needs of the majority of people in the community.

I shall not even attempt to deal with the many hundreds of provisions in the Liquor Act which regulate every step from the production, through the distribution, to the ultimate consumption of liquor. For the distribution of liquor the law creates a number of types of liquor licences which may be divided in two main groups - those permitting the sale of liquor for consumption on the premises and those permitting the sale of liquor by the bottle for consumption off the premises.

The on-consumption licence group comprises the following:-

- The hotel liquor licence
- The bar licence
- The wine and malt licence
- The club liquor licence
- The restaurant liquor licence
- The theatre and sports grounds liquor licence
- The temporary liquor licence.

/The .....

The off-consumption licences comprise the following:-

- The bottle liquor licence
- The wholesale liquor licence
- The foreign liquor licence
- The brewers' licence
- The wine farmers' licence.

The principal on-consumption licence is the hotel liquor licence for the granting of which the Act prescribes a minimum of ten bedrooms in a municipal area and five bedrooms in a rural area. If the cost of the hotel premises exceeds R40,000 then the issue of the licence is not subject to the quota restriction based on the number of Parliamentary voters in the district as in the case of a bottle store licence. Before 1928 hotels were granted so-called off-sale privileges in the Cape, Natal and Orange Free State, with the result that we find hotels operating what are virtually bottle stores in conjunction with their on-consumption businesses.

Bar licences were abolished in 1928 and the many hundreds that were in existence at the time were given the option of either converting themselves into hotels or into wine and malt licences. A few were, however, allowed to continue as bars and today there are only sixteen in existence. The main difference between a bar licence and a wine and malt licence is that the latter may sell only South African beer and wine and is precluded from dealing in spirits or any imported liquor.

A restaurant liquor licence permits the sale of all types of liquor during meal hours to persons partaking of meals. Club licences, as you all probably know, permit the sale of all types of liquor to members and their bona fide guests. Theatre and sports grounds licences are self-explanatory, whereas temporary licences are available for exhibitions, sporting events, etc.

Normally not more than one bottle liquor licence may be granted in respect of every 1,000 male voters in any urban area. A holder of this licence may not sell less than half an imperial pint or more than 12 imperial quart bottles (3 gallons) of liquor to any person at one time. Because of this restriction it is not unusual to find bottle stores also

/holding ....

holding wholesale liquor licences which permit them to sell in any quantity. The holder of only a wholesale liquor licence may, however, not sell liquor in quantities of less than 2 gallons at a time. The primary purpose of this licence is to permit the wholesale distribution of liquor between the producer and the retailer but the law does not preclude the holder of a wholesale licence from supplying direct to the consumer in the prescribed minimum quantity. In recent years there has been a marked increase in the activities of the so-called "pseudo-wholesalers" who supply to consumers direct at "wholesale" prices.

Brewers' licences and wine farmers' licences permit producers to sell their own products in certain prescribed minimum quantities both to the trade and, if they so desire, to the consumer direct.

Now that I have given you a brief description of the main types of liquor licences in operation in the Republic I propose to deal briefly with the number of such licences that are in existence in the four provinces.

TABLE III  
DISTRIBUTION OF LIQUOR LICENCES IN THE REPUBLIC

Type of Licence	Cape	O.F.S.	Natal	Transvaal	Republic
Hotels <sup>1</sup>	726	109	305	421	1561
Bars <sup>2</sup>	4	-	2	10	16
Wine & Malt <sup>2</sup>	86	-	17	49	152
Restaurant	3	2	3	23	31
Club	154	41	69	269	533
Theatre	9	1	7	11	28
Wholesale Bottle <sup>3</sup>	281	76	113	466	936
Bottle	297	70	139	441	947
Brewers	6	2	4	9	21
Totals	1566	301	659	1699	4225

- 1 697 Hotels have off-sales privileges of which 512 are in the Cape, 101 in Natal and 84 in the O.F.S.
- 2 Three bars and 80 wine and malt licences have off-sales privileges.
- 3 A large number of these wholesale licences are attached to retail bottle stores and do not constitute separate businesses.

/There . . . .



There are 2321 on-consumption licensed premises in operation in the Republic today as compared with 1727 off-consumption businesses (taking into account the hotel and other off-sale privileges and leaving out wholesale and producers' licences). This means that there is approximately one retail liquor licence per thousand of the White, Coloured and Indian population of this country and one on-consumption licence for about every 1800 of this segment of the population.

Let us now take a quick look at the newly-introduced liquor distribution system - I refer to the special authorities issued for the sale of European liquor to the Bantu. Between six and seven hundred such conditional authorities have been granted this year to municipalities and large employers of Bantu labour. (Mines predominate in the latter category.)

It is not yet certain how many of these conditional authorities will actually be taken up, but I think it can be safely predicted that there will be at least 500 outlets for the Bantu in operation next year. The conditions under which these outlets will be allowed to operate closely follow those applicable to ordinary liquor licences. Thus many of the conditions pertaining to hotel and bottle liquor licences have been made applicable to on- and off-consumption premises conducted by local authorities. There is also a resemblance between the conditions governing the operation of employers' outlets and those governing clubs.

It is still not known how many of the estimated new outlets will cater for on-consumption, but a guess of 300 will probably not prove far off the mark. This means that initially there will probably be about one on-consumption outlet for approximately 30,000 of the Bantu population. Contrast this with the ideal figure of one outlet per 500 families as expressed by the Malan Liquor Commission and with the situation amongst the non-Bantu population.

I am particularly interested in on-consumption premises because it is here that much can be done to inculcate decent respectable drinking habits amongst our Bantu population. An insufficient number of such outlets must lead to overcrowding and the consequent impossibility of proper control. This provides just the right setting for the trouble-maker to exploit.

/The ....

The general appearance and efficiency with which an outlet is operated plays an equally important part in influencing the behaviour of customers. It is these factors which motivated the Brewers' Institute of South Africa to start the series of seminars on the operation of liquor outlets presently being conducted in Johannesburg. Many of you have attended these seminars but I trust you will bear with me whilst I say a few words about them.

The group of companies with which the Brewers' Institute is associated has been operating hotels for the past seventy years and, additionally, was closely associated with the erection and operation of liquor outlets for the African in the Federation. Its staff has, through the years, acquired considerable knowledge and practical experience which, it became obvious, could be applied to the solution of some of the many problems facing the officials of municipalities and employer organisations who were planning their liquor outlets for the Bantu.

In the course of last year we received a great many requests for advice and information in connection with the submission of applications, particularly in so far as suitable plans for buildings were concerned. These we handled to the best of our ability but on an ad hoc and somewhat haphazard basis. It soon became clear, however, that if we were to provide a worth-while service it would have to be done on a planned and organised footing. This led to the institution of these seminars, the first of which was held at the beginning of February this year.

Each seminar extends over three days, from Tuesday morning till Thursday afternoon and includes the following subjects:-

- Liquor legislation and alcoholic beverages
- How to promote civilised drinking habits
- Statutory records and Liquor Control System
- Warehousing
- Dispensing of liquor
- Safeguards against malpractices
- Cashing-up and stocktaking.

/These . . . .

These seminars have been carrying on without a break since February and bookings indicate that they will continue well into next year. By now more than 800 officials from well-nigh every municipality, mine and other large employer organisation have attended these seminars. I should like to take this opportunity of expressing our most sincere appreciation of the whole-hearted support which our effort has received from all sides. It is very largely due to the unstinted co-operation that we received at all times from I.A.N.A. itself that the way has been cleared for the BISA-seminar to make what I hope will prove to be a useful contribution towards ensuring the success of the experiment of making European liquor available to the Bantu.

But before I leave this subject I would like to touch briefly on another aspect connected with the operation of outlets for the Bantu - the training of Bantu barmen and off-sales attendants. It is not generally realised that in the near future the services of anything between 2,000 and 4,000 Bantu as barmen and off-sales attendants will be required and that there is simply no pool of such trained personnel available. Anyone who has been through the seminar will agree with me that to place an untrained person behind a bar counter is to invite trouble. To meet this situation, and at the request of municipalities and the mines, the Brewers' Institute has recently also started a training course for barmen. Due to the large numbers involved we found it impractical to embark upon the training of barmen themselves but have decided to concentrate on the training of instructors who can then go back and undertake the training of barmen in their own organisations. In this regard we are assisting them by providing instructors with an adequate supply of copies of a carefully prepared detailed syllabus for the course. We look upon the barman as the man in the front line of the attack on the abuse of liquor. And it is for this reason that we regard it as vitally important for him to be given a thorough grounding in his duties and responsibilities.

/5. CONSUMPTION ....

5. CONSUMPTION WITHIN THE REPUBLIC

I have already provided you with figures which show that by Western World standards South Africa's per capita consumption of alcohol is average, with a high figure for wines and spirits and a low one for beer. In taking a closer look at the South African consumption picture I have decided to relate total consumption to national income for the reason that there is a close correlation between the national income and the available expenditure for non-essential consumer goods, such as liquor.

Table IV on page 19 shows the trends since 1938 in the consumption of the three main types of liquor in the Republic compared with the net national income and these trends are graphically depicted below: -

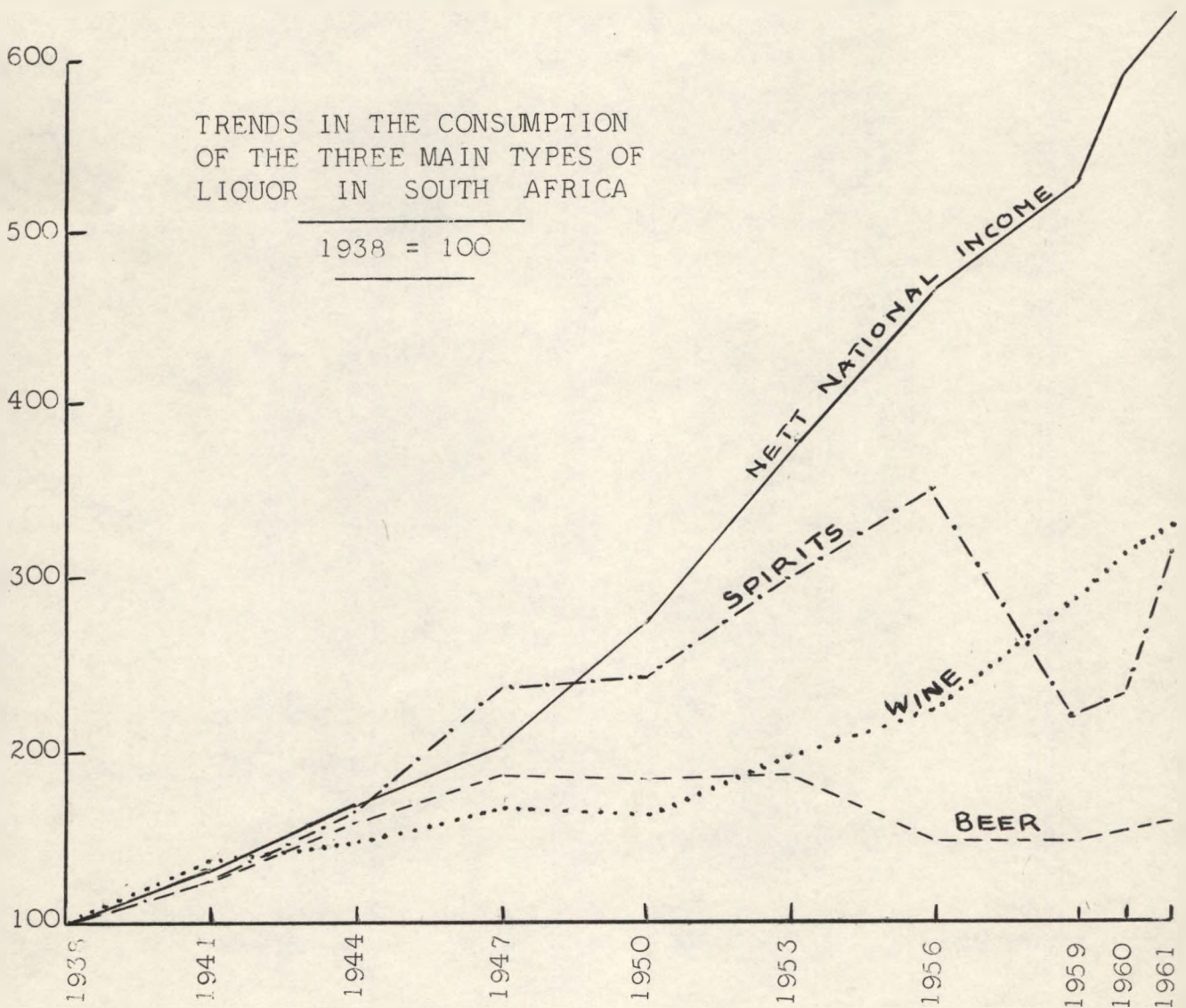


TABLE IV  
 LIQUOR CONSUMPTION TRENDS  
 COMPARED WITH NET NATIONAL INCOME

	1938	1941	1944	1947	1950	1953	1956	1959	1960	1961
<u>SPIRITS</u>										
Bulk Gallons	2,261,000	2,848,000	3,760,000	5,293,000	5,491,000	6,776,000	7,915,000	4,965,000	5,220,000	7,072,000*
% Increase	100	126	166	234	243	300	350	220	231	313
<u>WINE</u>										
Bulk Gallons	7,636,000	10,140,000	11,275,000	12,913,000	12,358,000	14,906,000	17,013,000	21,932,000	23,832,000	25,000,000*
% Increase	100	133	148	166	162	195	223	287	312	327
<u>BEER</u>										
Bulk Gallons	11,638,000	14,612,000	18,923,000	21,844,000	21,415,000	21,930,000	17,201,000	17,066,000	17,644,000	18,675,000
% Increase	100	126	163	188	184	188	148	147	152	160
<u>NET NATIONAL INCOME (Rm.)</u>										
Bulk Gallons	685	882	1,155	1,382	1,862	2,577	3,133	3,597	4,035	4,271
% Increase	100	129	169	202	272	376	465	525	539	624

\* Estimated

It will be seen that spirit consumption more than trebled itself between 1938 and 1956, receded in 1959 and thereafter gradually retrieved its position. Except for a slight recession round about 1950, wine consumption has undergone a steady and substantial increase every year for the past 30 years. Beer consumption, on the other hand, rose to a peak in 1953, slumped downwards thereafter and it is only in the last two years that it has been showing some improvement. During the same 30 years under review our net national income has shown a firm upward trend.

Under normal conditions we would have expected the consumption figures for the three types of liquor to have maintained a proportionate rate of increase ending up in approximately the same relationship to each other that prevailed in 1938. What then is the reason for these variations from the standard trends? Earlier in my address I have referred to the part played by prices and excise duty in the drinking pattern of a country, and the fluctuations in our preferences for the various types of drink in this country over the past 30 years are entirely attributable to changes in the incidence of excise duty, as the table below will serve to indicate.

TABLE V  
EXCISE DUTY ON PRINCIPAL TYPES  
OF ALCOHOLIC LIQUOR  

---

Per Bottle ( $\frac{1}{6}$ th Gallon) as consumed

	1938	1946	1962
Beer	1.1c.	3.3c.	8.8c.
Natural wine	Nil	Nil	2.5c.
Fortified wine	Nil	3.7c.	9.7c.
Brandy	15.3c.	30.6c.	82.3c.
Cane Spirit	28.1c.	43.7c.	99.3c.

Customs duty on whisky works out at 176.3 cents per bottle.

In 1958 the excise duty on spirits was doubled which had the effect of decreasing the consumption of that drink by between 30 and 40 per cent the following year. The marked increase that

/has ....

has taken place in the consumption of spirits during 1961 is difficult to explain but I would hazard a guess that it is probably partly due to an expanded black-market. With the increase in duty on spirits a substantial switch to wine occurred and this is reflected in the fact that whereas between 1953 and 1956 wine consumption increased by slightly more than two million gallons per annum, between 1956 and 1959 the increase was more than five million gallons per annum.

The excise duty on beer was substantially raised in 1953 and this brought about a marked decrease in the consumption of beer. Further increases in excise duty were made in 1959 and this year. It is difficult to predict what effect the latest increase in excise duty will have on the consumption pattern because, for the first time in our history, all types of alcoholic liquor (except Bantu beer, of course) came under the Excise Act. The excise duty on both spirits and fortified wine was also increased and an amount of 2.5 cents per bottle was imposed on natural wine for the first time. I do not anticipate, however, that there will be any marked changes in the drinking pattern as a result of the latest increases in excise duty, mainly because the additional tax burden has been more or less equally distributed between the various types of liquor.

Although Bantu beer has hitherto not been subject to any form of tax, and despite the fact that in terms of the Liquor Act it is not classified as "liquor", I nevertheless propose to bring it within the purview of our discussion and say a few words about this traditional Bantu beverage.

The following figures are estimates and actual figures respectively for home brewing and municipal brewing of Bantu beer in the Republic:-

TABLE VI

<u>Year</u>	<u>Actual Municipal Production</u>	<u>Estimated Home Production</u>
1955/56	30,200,000	108,000,000
1956/57	34,800,000	129,000,000
1957/58	40,500,000	138,000,000
1958/59	44,000,000	140,000,000
1959/60	48,800,000	135,600,000
1960/61	54,700,000	138,500,000

/The ....

The estimate for home production are based on the assumption that 100 gallons of Bantu beer are brewed from each bag of kaffir corn used in private homes.

It would appear, therefore, that some 200 million gallons or 20 gallons per capita of Bantu beer are consumed by the Bantu per annum in the Republic. The popularity of Bantu beer amongst the urban Bantu is evident from the increase of 80% in municipal production over the past 6 years. It is significant that during the same period the estimated home production increased by less than 30%.

I now want to pose what I know each one of you will regard as a leading question: what effect will the release of European liquor to the Bantu have upon the consumption of Bantu beer? I am not going to be so foolhardy as to attempt to give you a conclusive answer to this question but I shall try to give you some indicators by way of drawing upon the experience gained in the Federation.

I have already mentioned that the municipal brewing of Bantu beer increased by some 80 per cent between 1955 and 1960, but it is of significance that during the same period the production of Bantu beer in the Federation increased by no less than 350% as the table below shows:-

TABLE VII

PRODUCTION OF BANTU BEER  
IN THE FEDERATION

---

(excluding home brewing)

1955	8,000,000 gallons
1956	11,000,000 "
1957	18,000,000 "
1958	21,000,000 "
1959	25,000,000 "
1960	28,000,000 "

The most marked increase in the consumption of Bantu beer in the Federation occurred during 1957 and coincided with the year during which beer and wine were released to the Africans for the first time in Southern Rhodesia. This suggests that the establishment of additional outlets for liquor and the

/improvement ....



improvement of existing Bantu beer halls which took place at the time are factors which had a favourable influence upon the demand for Bantu beer. It would thus not be unreasonable to anticipate a similar substantial increase in the demand for Bantu beer in the Republic in the course of the next twelve months, particularly if it is borne in mind that the establishment of liquor outlets for the Bantu is taking place at a quicker rate and on a much larger scale than in the Federation and - this is important - every outlet is compelled by law - unlike in the Federation - to have Bantu beer available for sale.

On the other hand we should not overlook the fact that up to about 1955 the production and distribution of Bantu beer in the Federation, and particularly in Northern Rhodesia, had received rather scant attention; that where it was available it was not always served under the most desirable circumstances; and that the quality of the beer was often below standard and varied from week to week. It is only since 1955 that these defects have been remedied - in Southern Rhodesia by the municipalities themselves and in Northern Rhodesia principally as the result of the entry of private enterprise into this field. My impression is that in the Republic the production and distribution of Bantu beer has already reached a relatively high standard of efficiency and that to this extent the rate of increase in the consumption of Bantu beer has already been somewhat discounted.

On account of the marked difference between the prices of European liquor and Bantu beer, the per capita consumer expenditure available in the several Bantu communities will to a very large extent determine the type of liquor that they will purchase. In the Federation a clear pattern of expenditure has become discernable. The upper income groups, who can afford it, drink mainly European liquor, whereas the lower income groups buy Bantu beer most of the time except during the few days after pay-day when they have spare cash at their disposal.

The per capita income of South African Bantu is more than twice that of his Federation counterpart, and includes a larger proportion of discretionary spending-power. This, in turn, points in the direction of a larger per capita expenditure on European liquor by the South African Bantu than the Federation figures would indicate. The  $7\frac{1}{2}$  million Africans in the

/Federation ....

Federation have an annual income of approximately R200 million while the annual income of the South African Bantu stands at something over R800 million. Unfortunately I have not been able to obtain reliable figures for the Federation as a whole, but it has been established that the urbanised African residing in the larger towns of Southern Rhodesia expends approximately 10% of his cash earnings on alcoholic beverages and of this amount about two-thirds is spent on Bantu beer. For reasons which time does not permit me to enter into I regard it as most unlikely that our own urban Bantu will at any time spend such a high percentage of his earnings on alcoholic liquor, but at the same time I believe that a bigger proportion of such expenditure will go to European liquor.

Before leaving the subject of liquor consumption I would like to present you with a few facts and figures regarding the total expenditure on liquor both here in the Republic and in the Federation.

TABLE VIII

TOTAL CONSUMER EXPENDITURE ON ALL TYPES  
OF ALCOHOLIC LIQUOR (INCLUDING BANTU BEER)

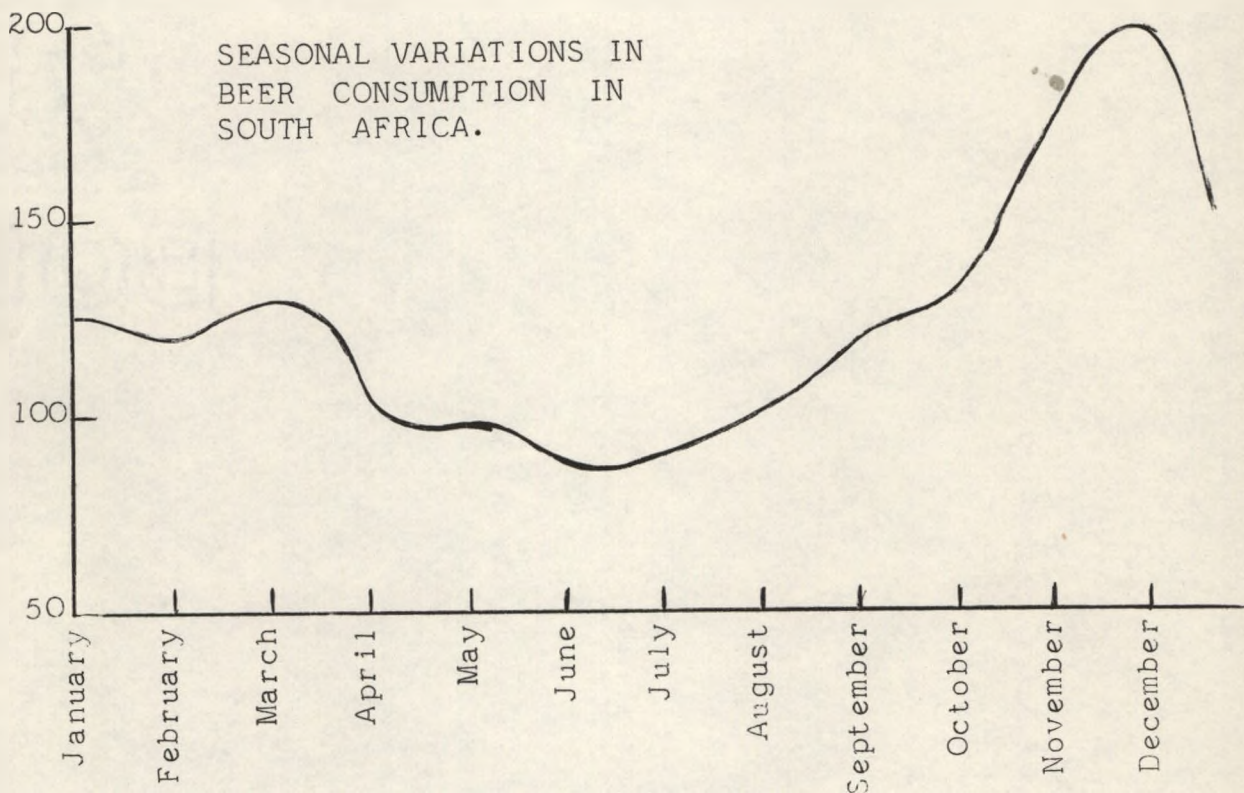
	<u>South Africa</u>	<u>Federation</u>
1955	R108.5 million	R16.8 million
1956	R112.6 million	R19.4 million
1957	R125.9 million	R22.9 million
1958	R139.8 million	R24.8 million
1959	R145.0 million	R24.0 million
1960	R150.9 million	R27.2 million

Between 1955 and 1960 the consumer expenditure on liquor in the Republic increased by approximately 40% (compared with an increase of over 50% in our net national income) and by about 60% in the Federation. The faster rate of increase in the Federation is probably accounted for by the fact that European liquor was released to the African in Southern Rhodesia during the period under review. It is of interest also that although the total population of South Africa is about double that of the Federation its total expenditure on all types of liquor is nearly five times as high as that of the Federation. I feel I should also mention that of the R150 million spent

/on .....

on liquor in South Africa some R35 million accrues to the State in the form of direct taxes, approximately R16 million to the retail trade as gross profit and the balance of about R55 million to the producers.

My final word on consumption concerns the annual seasonal fluctuations that constitute a characteristic of the liquor industry. The consumption of all types of liquor reaches its peak during December and experiences another minor boom during the Easter weekend. The annual repetitive pattern for beer consumption is reflected in the following graph:-



This shows that during December more than twice as much beer is consumed than during the winter months. I regret to say that I see no prospect of this curve being levelled out by the new Bantu market and it seems that both the producer and the retailer will have to continue to face up to the problems of providing facilities to meet this sharp peak in December - facilities which unfortunately remain largely wasted during the rest of the year.

6. SOME CONCLUSIONS

What conclusions and lessons are we permitted to draw from the various facts and impressions that I have presented to you? Because we are dealing with human beings who react differently from day to day and from place to place we cannot be dogmatic about what we should learn from the past experience of others. But nevertheless it may be of interest and, I hope, of use to you if I told you what I would have regarded as being the most important lessons to be learnt from experience in our own country and elsewhere in liquor matters if I were called upon to administer the supply of liquor to the Bantu.

In the first instance, and in general terms, I would work on the assumption that the Bantu tends to follow in the footsteps of the Whites. After all, he has emulated the White man in food, clothes and cigarettes, and there appears to be no valid reason why he should not also do so in his drinking habits.

Let us take two extreme cases.

The tribal Bantu who has hardly been in touch with the Western way of living and who earns no cash income, will obviously carry on as heretofore, unaffected by any changes in the liquor laws of the country. On the other hand, the Bantu professional man who has spent his whole life in close contact with Europeans and who earns a substantial cash income, will probably continue to enjoy the same drinks at the same times and in the same way as his European counterpart. The only change is that he no longer needs a permit and can now buy all his requirements at standard retail prices. The bulk of our Bantu population falls between these two extreme cases and it is accordingly much more difficult to predict exactly how they are going to react. It is a case of assessing how strongly economic and tribal factors militate against their conforming with the European pattern. But of one thing I am certain and this is that the same factors which influence and determine the drinking pattern and behaviour amongst the Whites will also operate amongst the Bantu.

I do not believe that rigid legal provisions governing matters such as the hours and days of sale of liquor, the banning of women in bars, or whether liquor should be consumed standing-up or sitting-down, act as effective deterrents to the abuse of liquor. On the contrary, they often have just the opposite

/effect .....

effect, especially when they clash with accepted social custom and thus create "adventure" where it has not previously existed.

I have no doubt in my own mind that a person's behaviour is predominantly determined by the environment in which he finds himself. In the case of a liquor outlet, the buildings and surrounding grounds, the furniture and equipment, the company, the staff, all contribute towards creating the right or the wrong environment and exercise an influence upon the behaviour of every individual patronising the outlet. I am certain that in this experiment of supplying the Bantu with European liquor, time will prove my contention, which is founded on the experience gained in the Federation and in other African territories, that the best behaviour and least trouble will occur at those outlets which are adequately equipped and staffed to provide efficient service, which are attractively furnished and have a wholesome and pleasant atmosphere and which, in this way, impart a feeling of self-respect to its customers.

I believe that the overwhelming majority of the members of our Bantu community, as is the case with every other community irrespective of race, are fundamentally decent individuals. At the same time I recognise the fact that there are very few communities which do not include at least a small perverse segment of misfits who, for a variety of reasons, are constitutionally incapable of behaving themselves - I refer to the so-called ducktail or tsotsi element. In carrying out its duty of protecting the decent ones from the activities of these elements, the central Government and local authorities need to be on their guard against creating a situation whereby the entire community is penalised or inconvenienced because of the unruly minority. I want to illustrate my point by suggesting that it would be blatantly unfair and unjust to ban all motoring on public roads on Sundays merely because it is found that some drivers persist in driving recklessly on those days.

The only effective way in which to deal with those who wilfully persist in abusing alcoholic liquor (and with reckless drivers for that matter) is to punish them severely every time they step out of line and it is for this reason that I warmly welcome the Government's action in providing in the 1961 Liquor Amendment Act for drunkenness to be punished much more severely than has been the case in the past. Those in charge of on-

/consumption...

consumption liquor premises can also refuse to serve drunken or troublesome customers. This once again highlights the need for adequately trained staff and the efficient operation of liquor outlets to make it possible for proper control to be exercised over recalcitrant customers.

My final comment is that if this experiment fails, then the blame must not be placed at the door of the Bantu but at the door of those who have been responsible for the control and administration of the operation. I believe that it will succeed because the drafting of the Liquor Act is sufficiently flexible to permit the regulations to be adapted and adjusted in the light of the experience that will be gained in the course of the succeeding twelve months. But the main reason for my optimism flows from the impression I have gained over the past few years of the high degree of appreciation and understanding of the problems, attitudes and ambitions of the Bantu that exist amongst the administrators of Bantu affairs. It is primarily due to their enthusiasm and drive that so much has already been achieved in the short time at their disposal towards the creation of the right atmosphere at liquor outlets which will provide the Bantu with the opportunity of proving that he is at heart a decent, well-behaved fellow - even when he has a drink or two inside him.

---

Johannesburg  
7th August 1962  
JAHvN/CB

**Collection Number: A1132**

**Collection Name: Patrick LEWIS Papers, 1949-1987**

***PUBLISHER:***

*Publisher:* Historical Papers Research Archive, University of the Witwatersrand, Johannesburg, South Africa

*Location:* Johannesburg

©2016

***LEGAL NOTICES:***

Copyright Notice: All materials on the Historical Papers website are protected by South African copyright law and may not be reproduced, distributed, transmitted, displayed, or otherwise published in any format, without the prior written permission of the copyright owner.

Disclaimer and Terms of Use: Provided that you maintain all copyright and other notices contained therein, you may download material (one machine readable copy and one print copy per page) for your personal and/or educational non-commercial use only.

This collection forms part of a collection, held at the Historical Papers Research Archive, University of the Witwatersrand, Johannesburg, South Africa.