

10 p.m., whilst restaurants, where food must be taken with the liquor, be allowed an extra hour, and be closed at 11 p.m.

DIFFERENTIAL TAXATION OF ALCOHOLIC LIQUORS.

The question of influencing sobriety by appropriate taxation will be referred to again in Chapter VII., when the principle of *differential taxation* will be discussed. This principle is already in force, in so far that the highly alcoholic spirits are much more heavily taxed than the less alcoholic beers, and a beginning has been made of extending it to beers of various gravities. The reduction of the beer duty in 1923 was so arranged that it had the effect of lowering the retail price of all beers by 1d. a pint, whatever their gravity. That is to say, light beers reaped a relatively greater benefit than heavy beers. We shall see that this principle ought to be widely extended, so that very light beers pay hardly any tax at all, and heavy beers a greater one in proportion to their gravity. By this means, little or no loss of revenue on the total sales would ensue.

The principle of differential taxation has for a long time been applied to wines, for in 1862 wines (in cask) containing less than 26° of proof spirit were taxed 1s. a gallon, and wines containing less than 42°, 2s. 6d. per gallon. The tax was raised from 3d. to 6d. in 1899, and in 1920 it was raised to 2s. 6d. for wines under 30°, and to 5s. for those under 42°, with a further *ad valorem* tax of 33½ per cent. on sparkling wines. In 1927 the Chancellor of the Exchequer, Mr. Churchill, increased the taxation