

their alcoholic content increases. Some slight movement in the direction of differential taxation was made in 1923, when it was arranged that the tax on all beers should be lowered equally, whatever their strength, whereby their selling price was reduced a penny a pint. This scheme needs to be extended much more fully in both directions, and it is suggested that whilst the present taxation on beer of average strength (containing 4.6 per cent. of alcohol) should be left unchanged, that on non-intoxicating beer (containing 2.9 per cent. of alcohol) should be reduced to less than half its present figure, whilst that on strong and easily intoxicating beer (containing 5.7 per cent. of alcohol) should be raised to the level of taxation in force previous to April, 1923. By this means the present tax, which works out at  $1\frac{1}{4}$ d. on a pint of the weak beer and  $3\frac{1}{4}$ d. on a pint of the strong beer, would be changed to  $\frac{1}{2}$ d. and 4d. respectively. It might be thought that these proposed alterations would have very little influence on the habits of the average drinker; but undoubtedly changes in the incidence of taxation do influence drinking habits, for it is found that, owing to the relatively much higher taxation on spirits than on beer which is now in force, the quantity of spirits sold is only about a sixtieth as great as that of beer, whereas before the war, when the taxation on spirits was relatively less, it was a fortieth as great. Under the suggested scheme a man would get rather more than 3 pints of the weak beer at the same price as 1 pint of the strong beer, whereas at present he gets only a little over 2 pints.

In applying the scheme of differential taxation to spirits and to wines it must be remembered that,