

The Bureaucratization of Moral Regulation: The LCBO and (not-so) Standard Hotel Licensing in Niagara, 1927–1944

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A look at the activities of the Liquor Control Board of Ontario, from its inception in 1927 to 1944, with regard to licensing hotel beverage rooms in the Niagara region would indicate that the LCBO did not fully achieve its intended goal of rationalizing the public consumption of liquor. The Liquor Control Act was based on implicit and general concepts derived from the pre-prohibition concern over the morally suspect world of the saloon. Although the LCBO had been established as an objective bureaucracy, its officials, when inspecting hotels and enforcing the rules of the act, employed a language that demonstrated the persistence of the pre-prohibition value system of middle-class temperance reformers. Nevertheless, elements of the LCBO's activity illustrate clear attempts to move away from the pre-prohibition system of patronage towards something that resembled, at least structurally, the ideal, typical bureaucracy.

Il semblerait que la Régie des alcools de l'Ontario n'ait pas totalement réussi, par ses activités d'octroi de permis aux bars des hôtels de la région du Niagara, à freiner la consommation publique d'alcool entre 1927, au moment de sa création, et 1944. La Loi sur les alcools de l'époque se fondait sur la notion largement répandue d'avant la prohibition voulant qu'un bar soit un endroit moralement suspect. Si la Régie est née à des fins objectivement bureaucratiques, ses agents, lorsqu'ils inspectaient les hôtels et faisaient respecter la règle de la loi, employaient un langage témoignant de la persistance des valeurs que préconisaient les adeptes de la Tempérance de la classe moyenne avant la Prohibition. Toutefois, si l'on en juge par une partie de ses activités, la RAO a clairement tenté de se dissocier du système de favoritisme d'avant la Prohibition pour adopter un système ressemblant davantage, du moins structurellement, à la bureaucratie idéale ordinaire.

IN 1927 the Ontario government ended its decade-long experiment with liquor prohibition in favour of a tightly controlled, state-run liquor distribution and licensing system. Out of the prohibition-era *Ontario Temperance Act*,

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the province constructed the *Liquor Control Act* and the body that would enforce its rules, the Liquor Control Board of Ontario (LCBO). The LCBO established liquor stores, regulated the distribution of beer and wine by breweries and wineries, and licensed establishments where the sale and on-site consumption of beer and wine would be permitted. This bureaucratization of liquor control was not simply a matter of constructing an administrative structure to enforce the law. By creating this board, the Ontario government erected a bureaucracy that attempted to bring a rational approach to liquor control in the province. Far from being an objective system, however, the LCBO enforced a set of moral assumptions and value judgements about the proper site and manner of public drinking.

This ambiguous role is illustrated by the operation of the LCBO in the Niagara Region, the counties of Lincoln and Welland that span the Niagara peninsula, from the creation of the LCBO to the end of the Second World War, when liquor policies changed significantly.¹ The several hundred records of Standard Hotel License applications and Establishment Files reveal the relationship between enforcers and enforced, as well as shedding light on how the LCBO built its authority on a foundation that, while firmly rooted in pre-prohibition, middle-class temperance ideas, was also informed and in some ways enhanced by a notion of the importance of the bureaucracy as a means of enforcing social order.² The LCBO's criteria for granting the privilege of alcohol sales were in practice subjective, even though its administrators aspired towards an objective regulatory regime built on a moral authority gained through a rational, ideal-typical bureaucracy.

Attempts to employ objectivity were restricted by two key aspects of the enforcement mechanism. First, the *Liquor Control Act* and the LCBO's own rules were sufficiently vague as to require interpretation based upon subjective assessments of behaviour at the grass roots. These assessments came from a variety of parties: liquor inspectors "in the field" who were agents of the LCBO; local officials (such as municipal councillors or members of the legislature); and members of the public whose motives were often unclear and usually self-interested. Indeed, rather than operating as an ideal-typical, top-down bureaucracy, the LCBO relied upon extensive local input, suggesting a great degree of specific, *ad hoc* creation and enforcement of rules. Secondly, the main enforcers of the rules were also those with a strong personal interest in selling liquor: the proprietors. They were granted an authority to

1 In 1944 the LCBO's licensing role was shifted to the Liquor Authority Control Board, which was in turn replaced by the Liquor Licensing Board of Ontario (LLBO) in 1946.

2 The data are based upon an examination of the nearly 200 records in the LCBO's Standard Hotel Files and the Establishment Files for the Niagara Region, that is, the counties of Welland and Lincoln in the Niagara Peninsula in southern Ontario. The bulk of the analysis, not surprisingly, comes from the Standard Hotel Files. Most of these establishments did not meet the requirements of the Board and were therefore either persistently problematic or denied a beer and wine authority. It is in these cases that the nature of the LCBO's regulatory regime may be most adequately observed.

sell beer and wine — or, stated more precisely, the “authority” of the LCBO to do so was extended to the proprietor. The proprietor became, in effect, an “agent” of the LCBO. That authority could be suspended at any time, for any number of transgressions. The authority holder’s responsibility was to ensure that beer and wine were consumed properly, within the guidelines and expectations of the LCBO. In enforcing its rules, evaluating the character and suitability of the proprietor, and meting out punishments, the LCBO veered from its ideal as an impartial, rational bureaucracy into shades of grey in dealing with individual behaviour, by any estimation far from a rationalized system.

Post-prohibition liquor licensing regimes in Canada have received growing but limited attention from historians. Robert Campbell has examined the establishment of liquor control in British Columbia in the post-prohibition period, as well as the specific issue of beer by the glass in Vancouver’s beer parlours.³ He links these issues to the extension and perpetuation of moral reform efforts in reaction to the persistent spectre of the pre-prohibition saloon. His study of Vancouver’s parlours, the interplay between regulator and regulated, and how they shaped the development of the regulatory regime provides an informative exploration of the give-and-take of the moral regulation framework. Yet, within this work, the bureaucratic process remains something of a “black box”. In his monumental study of drinking in Canada, Craig Heron evaluates the shift in priorities from the moral regulation of pre-prohibition regimes to the efforts to restrict access to alcoholic beverages and “to educate the drinker in moderation”.⁴ He argues that the new legal regime set boundaries for drinking cultures that would last for at least the next half-century.⁵ Mariana Valverde’s work on licensing is a chapter of a broader study of drunkenness and drinking. She argues that, while liquor control systems “are bizarre from the point of view of law and downright ridiculous from the point of view of biomedicine ... the minor practices of governing have their own ‘minor’ logics”, which are worth studying in their own right.⁶ One limitation to the impressive work of both Heron and Valverde is the very nature of the general overview they provide.⁷ While useful as surveys, these studies offer limited applicability for interpreting the activity of the LCBO’s enforcement mechanism, which was based upon activity at the local level.

3 Respectively, Robert Campbell, *Demon Rum or Easy Money? Government Control of Liquor in British Columbia from Prohibition to Privatization* (Ottawa: Carleton University Press, 1991), and *Sit Down and Drink Your Beer: Regulating Vancouver’s Beer Parlours, 1925–1954* (Toronto: University of Toronto Press, 2001).

4 Craig Heron, *Booze: A Distilled History* (Toronto: Between the Lines Press, 2003), p. 227.

5 *Ibid.*, p. 295.

6 Mariana Valverde, *Diseases of the Will: Alcohol and the Dilemmas of Freedom* (Cambridge: Cambridge University Press, 1998), p. 148.

7 Heron’s work is an excellent synthesis of broad trends, and the section on provincial liquor regulations offers valuable comparisons. But it is limited by the general nature these comparisons require. Valverde offers generalizations based upon what would seem to be a narrow reading of the LCBO’s regulatory activities.

The current study, and the broader project from which it emerges, is based upon the assertion that the activity of the LCBO at the “macro” level cannot be understood without an analysis of the pressures placed upon it at the micro level.

Valverde suggests that the best way to understand the regulation of consumption “would be to study the horizontal linkages that create partly chosen and partly habitual assemblages of regulatory practices” formed out of administrative tendency and precedence.⁸ This is certainly one valid way of describing the creation of the LCBO, which emerged from the Board of License Commissioners of Ontario, whose role was to oversee the operation of the *Ontario Temperance Act*. While it may have been the result of “institutional habit”, however, habits change. The LCBO was also the manifestation of a bureaucratization of liquor regulation: an attempt to break from past structures that had caused problems. Valverde acknowledges, as do Heron and Campbell, that the saloon was the “folk devil” of liquor regulation that needed to be exorcized from the landscape.⁹ To do so, the government established the LCBO as a bureaucracy that attempted to rationalize the system of liquor regulation and break not only from the spectre of the saloon, but from the previous practices of local influence and patronage and the corruption they engendered. What persisted, I argue, were the pre-prohibition, middle-class temperance values, modified to suit the new bureaucratic reality of a system that urged moderation rather than abstinence.

In contrast to the dearth of research on liquor licensing, bureaucratization has been an issue of ongoing debate and modification since Max Weber’s works became available in the English language. Rather than add to the theoretical debates within sociological circles, I seek to employ insights provided by the concept and conceptualization of bureaucracies to understand the development of the LCBO as a specific type of bureaucracy. While bureaucratization itself has received much theoretical exploration, the process of bureaucratization in liquor licensing has had little if any attention, and the application of theories of bureaucratization to the provincial context in Ontario is also meagre.¹⁰ A brief outline of the way in which I use the term “bureaucratization” is useful here as a way to avoid theoretical confusion.

As Weber conceived it, bureaucratization is one of two processes (the other being capitalism) of rationalizing and secularizing systems in the modern world. Bureaucratization includes written, impersonal rules and regulations,

8 Valverde, *Diseases of the Will*, p. 146.

9 *Ibid.*, pp. 153–160; Heron, *Booze*, pp. 281–283; Campbell, *Demon Rum*, pp. 16–17.

10 To be sure, there are many studies of various bureaucratic developments in Ontario and in Canada, but they generally use only the terminology, not the theoretical approach, of Weber (at least not blatantly). One exception is J. E. Hodgetts, *From Arm’s Length to Hands-on: The Formative Years of Ontario’s Public Service, 1867–1940* (Toronto: University of Toronto Press, 1995), in which the author mentions that from 1905 to 1940 “practically all of the main elements of a rationalized bureaucracy ... considered by ... Max Weber to be the criterion of modern statehood, emerged” (p. 233).

the division of labour, the specialization and permanence of officials' positions, centralization of power over these positions, and the decentralization of specified authority.¹¹ It replaced prior systems of patronage or subjective rule enforcement with " 'rationalized' principles, typically intentionally established, [which] ... apply to a specific delimited range of phenomena".¹² Officials relate to superiors and subordinates within a reality defined by the parameters of the bureaucracy. In effect, that bureaucracy is the cause and effect of the rules, or the need for rationalization in society. In his "Bureaucracy as Belief", Richard Hilbert goes one step further, arguing that, while the bureaucracy may never reach the ideal-type that Weber had imagined, the concept of the bureaucracy may be better understood as a structure that creates "ideas about bureaucracy, a spirit of bureaucracy, a bureaucratic mentality".¹³

For the LCBO, this concept of rationalization of systems and rules, and a subsequent internalization of the bureaucratic mentality, can be seen in the case of Niagara. Tasks and responsibilities were parcelled out to certain actors or "agents", including the authority holder. These regulations represented attempts to rationalize a system of drinking laws, a process hindered by disparate enforcement regimes and local political cultures. Officials attempted to negotiate the various, often competing, local interests while defending their Board's authority as a bureaucracy that was supposed to be immune from the pressures of local politics. To enforce their version of moral and social order, they needed to present an image of the ideal-typical, rational bureaucracy.

Ontario's *Liquor Control Act* created a government monopoly over the sale of liquor through the LCBO and permitted the sale of light beer, 4.4 per cent proof spirit, at licensed establishments. The legal age for purchasing and consuming alcohol was 21 years. The Board established liquor stores throughout the province, at which stronger beer, wine, and spirits were available to holders of a liquor permit. The act was modified in 1934, immediately before a provincial election, in a move designed simply to win the governing Conservatives another mandate. The Conservatives lost, and the newly elected Liberals, who had been critical of the original *LCA*, began governing with a significantly expanded liquor law. The 1934 act, also known as the "beer-sale bill", legalized sales of stronger beer by the glass at Standard Hotel dining rooms and beverage rooms, on steamships and trains, and in private and veterans' clubs. Until the 1940s, "light" beer could be sold elsewhere, depend-

11 Wolfgang Mommsen, "Max Weber on Bureaucracy and Bureaucratization: Threat to Liberty and Instrument of Creative Action", in Mommsen, ed., *The Political and Social Theory of Max Weber* (Chicago: University of Chicago Press, 1989), pp. 109–120; Christopher Dandeker, "Patronage and Bureaucratic Control: The Case of the Naval Officer in English Society, 1780–1850", *British Journal of Sociology*, vol. 29, no. 3 (September 1978), p. 300; Marshall W. Meyer and M. Craig Brown, "The Process of Bureaucratization", *American Journal of Sociology*, vol. 83, no. 2 (September 1977), pp. 365–366.

12 Dandeker, "Patronage and Bureaucratic Control", p. 300.

13 Richard A. Hilbert, "Bureaucracy as Belief, Rationalization as Repair: Max Weber in a Post-functionalist Age", *Sociological Theory*, vol. 5 (Spring 1987), p. 70.

ing on licensure of the LCBO.¹⁴ Standard Hotel proprietors needed to apply for an “authority” to sell beer and wine. In the next few months, the gold rush for beer and wine authorities began, and hundreds were distributed in a very brief period.

Early surveillance was limited by resources and personnel. To enforce the Standard Hotel regulations, the LCBO employed inspectors who would live in the region and visit hotels regularly, as well as whenever called upon to do so by the Board officials in Toronto. Until the early 1930s the LCBO employed eight inspectors for the entire province, not sufficient to investigate all applicants, and often called upon the police to look into the character of an establishment and its proprietor. The expansion of the scope of liquor licensing in 1934 created a rush among establishments to acquire an authority and, as a result, the LCBO licensed establishments that, upon closer inspection, were unsuitable. Moreover, what the police saw as suitable and what inspectors were looking for appear to have differed. After 1934, on a number of occasions, inspectors recommended against renewing an authority and commented that the authority had been granted in error after the establishment had been inspected by police, without sufficient scrutiny by an LCBO inspector. This situation caused considerable frustration, both for proprietors who had become accustomed to their authority and for LCBO bureaucrats who had to deal with the repercussions of an apparently uneven administration of regulations. In 1934 and soon afterwards, several proprietors of restaurants attempted either to call themselves “Standard Hotels” and apply for such a designation or to undertake a cheap renovation, putting in a few rooms and continuing with business as usual. These establishments rarely received a renewed authority, but the decision entailed considerable confusion for all involved.

Inspectors considered a variety of factors when evaluating an establishment and the proprietor’s suitability for an authority. They looked at the physical layout, from the size and functionality of the beverage and dining rooms to the number and quality of bedrooms, as well as the location and suitability of toilets and other amenities. Apart from examining the simple physical layout and nature of the business, inspectors spent a great deal of effort scrutinizing less tangible factors of the establishment. They considered the character, reputation, and behaviour of proprietors. They looked at the part of town in which the hotel was located: was it in an area where it would function as a hotel — that is, near the business district — or in an area that would make it conducive to operating simply as a beverage room? They might also contact the police and local officials to determine the reputation of the establishment and its clientele, and even considered past uses of the establishment. These intangible criteria suggest that the LCBO sought to enforce the rules based upon an unstated set of value expectations: modera-

14 *Toronto Globe*, March 2, 1934.

tion, industry, individual self-reliance, and a heterosexual puritanism that I will call family-centred values, such as the welfare of the family, protection of children, and absence of sexual misconduct.

The *Liquor Control Act* was designed to battle the mythical folk devil of the pre-prohibition saloon by outlining a series of behavioural norms expected of licensed establishments and their proprietors. The act prohibited holders of liquor licences from allowing “drunkenness or any violent, quarrelsome, riotous or disorderly conduct to take place upon the premises designated in the permit”. It furthermore prohibited the sale of beer “to any drunken person” and considered it an offence if the licence holder “permits or suffers any drunken person to consume any ... beer on such premises, or permits and suffers persons of notoriously bad character to assemble or meet on such premises or suffers any gambling or any unlawful game to be carried on”.¹⁵ A year after the act had passed, an order-in-council prohibited the holder of a Standard Hotel License from permitting “drunkards, gamblers or idlers to frequent or be upon his hotel premises, or allow[ing] gambling, games of chance for gain, profane language or indecent language or other unseemly conduct therein”. A Standard Hotel License could be issued only to “a person of good character”. Where the hotel owner was not in charge, the manager “shall be a person satisfactory to the Board”.¹⁶

The act was necessarily vague, and in its first years the LCBO became more specific in expressing a perception of its mandate that rested upon pre-prohibition temperance values, modified to include the central role of the bureaucracy to enforce notions of individual self-control.¹⁷ The Board explained that its work encouraged “a real stimulation to temperance in all things by education and home training rather than by prohibiting which does not prohibit”.¹⁸ Prohibition had failed because it interfered too closely with individuality. Instead, “[M]oral advance and the personal acceptance of voluntary limita-

15 *Statutes of Ontario*, 17 Geo. V, cap. 70, sec. 71 (1).

16 *Ontario Gazette*, vol. 61, no. 31, August 4, 1928, p. 1202.

17 For examples of pre-prohibition middle-class temperance values, see Cheryl Krasnick Warsh, “Oh Lord Pour a Cordial in her Wounded Heart: The Drinking Woman in Victorian and Edwardian Canada”, in Warsh, ed., *Drink in Canada: Historical Essays* (Montreal and Kingston: McGill-Queen’s University Press, 1993), pp. 70–91; Daniel J. Malleck, “Priorities of Development in Four Local Woman’s Christian Temperance Unions in Ontario, 1877–1895”, in Jack S. Blocker Jr. and Cheryl Krasnick Warsh, eds., *The Changing Face of Drink: Substance, Imagery, and Behaviour* (Ottawa: Les Publications Histoire sociale/Social History, 1997), pp. 189–209; James L. Sturgis, “The Spectre of a Drunkard’s Grave: One Family’s Battle with Alcohol in Late Nineteenth-Century Canada”, in Warsh, ed., *Drink in Canada*, pp. 115–143; Katherine Chauvigny, “Reforming Drunkards in Nineteenth-Century America: Religion, Medicine, Therapy”, in Sarah Tracy and Caroline Jean Acker, eds., *Altering American Consciousness: The History of Alcohol and Drug Use in America, 1800–2000* (Amherst and Boston: University of Massachusetts Press, 2004), pp. 108–123; Jack S. Blocker Jr., *American Temperance Movements: Cycles of Reform* (Boston: Twayne Publications, 1989); Jon C. Burnham, *Bad Habits: Drinking, Smoking, Taking Drugs, Gambling, Sexual Misbehavior and Swearing in American History* (New York: New York University Press, 1993).

18 “Report of the Liquor Control Board of Ontario, 1927”, *Ontario Sessional Papers*, 1928, p. 7.

tion, if not voluntary abstinence, is the real solution of evils arising from the abuse of intoxicating liquors.”¹⁹ The LCBO’s role was to facilitate “the teaching of the principles of temperance and the advance of moderation and self-restraint”.²⁰ “Free people” had to be led “along moral paths”.²¹ Prohibition had run contrary to the values people held dear, personal capability and individualism.

The family was at the centre of this rhetoric. In 1929 the LCBO reported that “the work of helping those subject to the influence of liquor consists in the handling of individuals and solving the difficulties of the family”.²² Arnold Smith, Deputy Chief Commissioner through most of the 1930s, reminded one of the inspectors in 1938 that “every hotel-keeper should do all he can to help out in conditions existing in families in reference to drink”.²³ Here Smith reminded the inspector that the hotel proprietor, as an agent of the Board, had a responsibility as well as a right in the selling of beer. This focus on the family continued into the 1940s. In its report of 1941, for example, the Board noted that purchasing privileges “should be denied in cases where liquor has been abused ... or bought at the expense of the home. Liquor should be purchased long after, and a long way after, the necessities of life.”²⁴ Individual responsibility and capacity as well as the integrity of the traditional family, central concerns of the pre-prohibition temperance movement, persisted in the post-prohibition era of liquor regulation.

The LCBO inspectors enforced this value system by considering whether a licensee would break the rules or by observing and reporting on incidents of drunkenness and other immoderate behaviour after a licence had been granted. In 1933 Chief Inspector John Pitt refused to recommend the application for an authority by the Hillcrest Inn in Niagara Falls, “owing to the locality ... and of late years [it] has been used for nothing else but bootlegging purposes. The last one to apply for a license ... is serving six months for bootlegging.”²⁵ Pitt was also suspicious of Louis Sacco, owner of the Victoria Inn in Niagara Falls, not so much owing to Sacco’s own reputation, but because “his sons and relatives ... do not bear a very good reputation”.²⁶ Sacco’s nephews, a police report later revealed, had served time in New York State for illicit liquor dealings and manslaughter.²⁷ In 1935 Inspector Wilson Wylie voiced similar concern with the reputation of an applicant, noting that the proprietor of the Lakeside Hotel in Fort Erie “has some convictions against

19 “Report of the Liquor Control Board of Ontario, 1928”, *Ontario Sessional Papers*, 1929, p. 6.

20 *Ibid.*

21 “Report of the Liquor Control Board of Ontario, 1929”, *Ontario Sessional Papers*, 1930, p. 11.

22 *Ibid.*

23 Archives of Ontario, LCBO Records [hereafter AO/LCBO], RG 36-8 (Empire Hotel file), Smith to Wylie, August 26, 1938.

24 “Report of the Liquor Control Board of Ontario, 1941”, *Ontario Sessional Papers*, 1942, p. 12.

25 AO/LCBO, RG 36-1-0-723, Inspector’s Report, May 8, 1933.

26 AO/LCBO, RG 36-1-0-710, Inspector’s Report, May 26, 1932.

27 AO/LCBO, RG 36-1-0-738, Police Report, August 6, 1936.

him in connection with bootlegging activities and therefore that he is the type that in all probability would court trouble”.²⁸

Once a licence had been granted, insistence upon moderation continued. In 1927 Inspector Dingman cited a police report that described the proprietor of the New Stadtler Inn in St. Catharines as “quite a heavy drinker and for a time was head of the Canadian Legion Club where liquor was dispensed very freely. The local police have been on the alert, since [the proprietor] took over the hotel.”²⁹ Dingman similarly described the proprietor of the Mansion House in Grimsby as “drunk a great deal and indeed there is suspicion of his trafficking in liquor”.³⁰ Inspector Pitt used quaintly dispassionate language when describing a scene in 1934 to argue against the renewal of an authority for the Hillcrest Inn:

When Inspecting, [I] found four men badly under the influence of liquor being served beer and consuming same and had on table a bottle of hard liquor.... In advising licensee of the seriousness of offence [I] had violence offered me by the four patrons and when requested to leave premises [they] threatened to smash windows.³¹

Pitt stated that reliable citizens, including the mayor, had described the hotel as “a menace to the public”. Soon afterward, the proprietor was replaced by a new manager who was unable to renew the liquor authority.

Moderation was linked intrinsically to ideas of industriousness. Since proprietors were, in essence, agents of the LCBO, inspectors sought to ensure that, once an authority was granted, the establishment was conducted in a manner suitable to the Board’s standards. As the Depression of the 1930s began, the LCBO strictly surveyed activity in the hotels to ensure that ideals of industriousness were not violated. In its reports to the legislature, the LCBO noted that it worked with numerous social service agencies to ensure that people “on relief” were not using their resources to purchase alcohol.³² Several times inspectors observed cryptically that a hotel catered to people “on relief”. For example, in the Authority Holder’s Conduct Report for the New Arlington Hotel in October 1934, Pitt observed that the mayor of Niagara Falls had said the hotel was unsuitable for an authority “on grounds that the owner serves men with beer who are on city relief”.³³ In 1938 Mrs. M. wrote to the LCBO concerned that her husband, who had been unemployed, was working at the Royal Oak Hotel in Niagara Falls, but not being paid, or

28 AO/LCBO, RG 36–1–0–1509, Inspector’s Report, August 15, 1935.

29 AO/LCBO, RG 36–1–0–616, W. B. Elliott (constable) to Dingman, n.d. [ca. December 20, 1927].

30 AO/LCBO, RG 36–1–0–613, Dingman to Smith, December 31, 1927.

31 AO/LCBO, RG 36–1–0–723, Authority Holder’s Conduct Report [hereafter AHCR], October 10, 1934.

32 “Report of the Liquor Control Board of Ontario, 1930”, *Ontario Sessional Papers*, 1931.

33 AO/LCBO, RG 36–1–0–719, AHCR, October 8, 1934.

at least not sending her money. The LCBO responded with a series of terse letters to the hotel proprietor, learning that the man had been working for room and board and that his wife's letter was part of a broader problem within a fractured family.

The undesired link between unemployment and beverage rooms was reflected in letters from the public. Writing "in the interest of innocent children", in 1938 a Port Dalhousie resident protested a licence application. She begged the Board to take into account that "the nearby residences are mainly occupied by either part-time or whole-time relief recipients who have small children who would suffer the want of food were temptation thus put right at the doors of parents already discouraged by unemployment, who would use this means of numbing their sensibilities".³⁴ This writer's sentiments were repeated by others and drew upon the typical temperance notions of liquor destroying the family, undermining industriousness, and causing social havoc.

In the Board's consideration of issues of industriousness, concern over sales to people on relief was one side of the coin; the other was the expectation that the proprietor would himself set a good example. The LCBO frowned upon authority holders who could not pay their bills. Like the exploitation of workers or the facilitation of marital discord, this was behaviour unbecoming to an authority holder of the Board. While not relating in any way to the conduct of patrons or the sale of liquor, the concern over indebtedness, relating as it did to the proprietor's character and industriousness, was held against certain proprietors. The Board was contacted by coal companies, insurance companies, and private individuals over the debts of Standard Hotel License holders. Writing to a proprietor regarding one such letter, Smith argued, "[W]hile we do not in any way intend to act as a collection agency, I am bringing the matter to your attention because it does not seem proper procedure that hotels holding Authorities from this Board should be so delinquent in the payment of their accounts."³⁵ Here and elsewhere, the privilege of holding an authority to sell liquor was used as a coercive tool to insist upon a standard of behaviour that far exceeded the scope of sales of liquor to the public.³⁶

The idea of industriousness and self-sufficiency was also used by proprietors to argue for their privilege to hold a beverage authority. In 1934, soon after the legislation changed, David Tressider, proprietor of the Hillcrest Inn, noted that his family would suffer if he lost his authority, since he would be forced to close and "will only have my Army pension to support my wife and six children".³⁷ His reference to his military service may have been an understated attempt at leniency, since, in the decades after the First World War, the

34 AO/LCBO, RG 36-8 (Embassy Hotel, Port Dalhousie), letter to LCBO, November 27, 1938.

35 AO/LCBO, RG 36-1-0-713, Smith to Mr. R. Reinhard, April 21, 1943.

36 See also cases such as AO/LCBO, RG 36-8 (Esquire Hotel, St. Catharines), Smith to Garbutt, October 6, 1936; AO/LCBO, RG 36-8 (Grand Trunk Hotel, Fort Erie), Smith to Melappioni, August 31, 1935.

37 AO/LCBO, RG 36-1-0-723, David Tressider to Odette, July 20, 1934.

government was concerned to ensure that former soldiers and their families were employed.³⁸ In 1937, when Louis Sacco's authority for the Victorian Inn in Niagara Falls was not renewed, Sacco's priest wrote to William Houck, the local (Liberal) member of the provincial legislature, noting that Sacco "has always been a good, respectable and industrious citizen".³⁹ Sacco reiterated the appeal to industry when he wrote to Premier Hepburn, saying that not only would he lose his property, but he would have to go on relief, "which I do not like to do after working for forty-seven years".⁴⁰ In 1940 Mr. E. S., a resident of Niagara Falls, wrote to Houck defending the reputation of the Royal Oak. He argued that the manager "has a very respectable hotel and tries to live up to the laws.... He has all respectable people patronize his Hotel."⁴¹ The LCBO was not generally swayed by such arguments.

These notions of industriousness, not selling to men on relief, and the importance of a hotel having an authority so that the proprietor could continue to work often referred to an overarching issue of protecting the family. This interest in the welfare of the family was a strong thread running through the files of the LCBO. Some references to the family held more weight than others. Appeals like those of Sacco and Tressider had little effect, while the story of Mrs. M., whose husband did not send her money while he worked at the Royal Oak Hotel, attracted considerable attention and is indicative of a key feature of the moral standards to which the LCBO held hotel proprietors. The Board attempted to make sure that liquor consumption had no deleterious effects on the institution of the family. Here we are talking not only of the liquor business breaking up the family (as may have been the case with Mr. and Mrs. M.), but also how the behaviour of proprietors and their customers measured up to a standard of moral living — absence of sexual deviancy, dalliance, or philandering; protection of children; and maintenance of the sanctity of the family unit. The LCBO looked unfavourably upon activities that involved sexual matters, such as suggestions of prostitution or miscegenation, and those that threatened the home, such as under-aged drinking and philandering. While the LCBO censured hotel proprietors for permitting certain unsavoury activities to go on in their rooms, however, images of the family were used by all sides. Proprietors and their advocates invoked the integrity and welfare of their families to argue against Board decisions to refuse or rescind an authority; letter writers opposing a hotel's authority cast aspersions on the activities of proprietors; others accused hotels of seedy activities that were unprovable. Indeed, the family was at the centre of arguments in favour of and against licensing. It was a nearly ubiquitous rhetorical

38 The opposition repeatedly asked the government how many former soldiers, family members of former soldiers, or family members of soldiers killed in the First World War were being employed by the LCBO. See *Legislative Journals of Ontario*, March 15, 1929; March 4, 1931; April 3, 1935.

39 AO/LCBO, RG 36-1-0-738, Rev. Zazzara to Houck, April 5, 1937.

40 AO/LCBO, RG 36-1-0-738, Sacco to Hepburn, July 22, 1937.

41 AO/LCBO, RG 36-1-0-738, [E. S.] to Houck, n.d. [ca. October 11, 1940].

device, but, as with the proprietors' arguments about industriousness, it appears to have had limited effect.

Chief among the family-centred values, and the one that garnered the most attention by LCBO inspectors, was sexual impropriety. Eliminating it within the environs of a licensed hotel was a central concern of the Board. When Inspector Dean noted that the manager of one hotel had had legal action taken against him "regarding his conduct with another man's wife", the LCBO denied his application, stating that the area had enough authorities.⁴² One month after Inspector Wylie noticed two different names ("F. W. Thompson and Wife" and "F. W. Smith and wife") on the register of Thorold's Ormond Hotel in the same handwriting, the hotel's authority was suspended.⁴³ The authority holder who permitted such activity was not a suitable agent of the LCBO.

The LCBO attempted, however, to be judicious, and inspectors looked with suspicion upon anonymous or inflammatory statements. Complaints had to come from verifiable sources. Anonymous letters complaining about sexual impropriety at certain establishments were less successful in seeing those places closed. One letter writer, "A Canadian citizen", noted that the Royal Oak in Niagara Falls was the site of much

desorderly [*sic*] conducts.... Last August during the horse race period a negro and a white woman occupied room #14. During the day the negro had gone to the race tracks and had brought many men down in the evening who had lined up in the corridor and awaited their turn to get in contact with the white woman in her room.⁴⁴

Another anonymous letter complained that "minors, both boys and girls are being served and become intoxicated and the female employee [was] being frequently escorted to her room by some men".⁴⁵ Such letters, while denoting the perceived potency of accusations striking at the heart of family-centred values, did not succeed in closing the Royal Oak. Just as Sacco's and Tres-sider's arguments that the loss of their authority would hurt their families had little effect, so too did unsupportable assertions of sexual impropriety at certain hotels. In keeping with the bureaucratic ideal of standardization, the Board followed a strict process of validation, usually sending inspectors to interview complainants and to discuss the matter with various officials and the proprietor.

Since the LCBO's rational, bureaucratic structure was established to replace a prior system characterized by uneven enforcement and patronage, the very integrity of the new system needed to be defended. As Hilbert has

42 AO/LCBO, RG 36-1-0-1511, Inspector's Report, September 28, 1934.

43 AO/LCBO, RG 36-1-0-1529, Inspector's Report, March 3, 1937.

44 AO/LCBO, RG 36-1-0-719, "A Canadian Citizen" to Board, February 18, 1940.

45 AO/LCBO, RG 36-1-0-719, anonymous letter to Board, received March 11, 1940.

noted, bureaucracy may be idealized by its proponents even before it reaches anything resembling the “ideal-type” discussed by Weber. Convinced of the value of such a rational system, individuals should take as their duty “to subordinate themselves to this impersonal system of rational decision making”.⁴⁶ The administrators of the LCBO internalized the importance of their bureaucracy, recognizing that its integrity had to be maintained not just by keeping a distance from the politicians’ desires, but also by not authorizing any establishment or proprietor that would put the LCBO’s authority into question. Inspectors occasionally alluded to the fact that licensing a disreputable establishment would cause the Board’s image to suffer. In 1935 Arnold Smith wrote to E. G. Odette, the recently appointed Chief Commissioner of the Board, regarding a fuss being made over an application by the Belmont Hotel in St. Catharines: “I am of the opinion that the Board would be severely criticized [*sic*] if they attempt to grant an authority to premises of this nature.”⁴⁷ When recommending against licensing the Italian Canadian Club in Thorold, Inspector Dean wrote, “[I]t would be a disgrace to our Liquor Control Board to even consider giving authority under such conditions. A thousand times no, I would say it should not be granted.”⁴⁸ Regarding his experience with a manager whom he called “a born showman” who “does not take even himself too seriously”, Inspector Wylie observed that “one does resent as an employee of the Board” not being taken seriously.⁴⁹ In all of these examples, the reputation of the Board was the central concern.

A key feature of the ideal-typical bureaucracy is the filtering of rules and systems from officials at “the top” to actors at “the bottom”; these “agents” carry out actions that make the bureaucracy effective. The records for Niagara suggest that the LCBO was caught between two bureaucratic realities. On one hand, it sought to administer and enforce the rules evenly and fairly, as evidenced by the rejection of anonymous complaints. On the other, the size of the undertaking meant that the Board relied upon the input and opinion of officials in the community, all of whom had their own agendas and interests. Possibly harkening back to pre-prohibition times when liquor licensing was a municipal undertaking, but also recognizing that decisions on the character and behaviour of proprietors could not be made without additional information from local commentators, the LCBO required considerable involvement on the part of municipal politicians, along with local MPs and MPPs. Such involvement reflects both a key feature of and a challenge to the structure of a rationalized bureaucracy. A bureaucracy’s central function is to “carry out tasks which cannot technically be performed by the employing agent itself”, in this case the government.⁵⁰ In doing so, it can devolve specific tasks to

46 Hilbert, “Bureaucracy as Belief”, p. 71.

47 AO/LCBO, RG 36–1–0–604, Smith to Odette, August 19, 1935.

48 AO/LCBO, RG 36–1–0–1536, Inspector’s Report, October 24, 1934.

49 AO/LCBO, RG 36–1–0–734, AHCR, August 12, 1935.

50 Dandeker, “Patronage and Bureaucratic Control”, p. 301.

associated parties. In this case, gathering information and opinions from locals in positions of authority alleviated the pressure and the potentially resource-intensive task of doing extensive background searches on each proprietor. The practice entailed inherently contradictory forces, however. Since this consultative system involved extensive input from local MPPs who were also members of the government that operated the LCBO, the agents to whom the LCBO parcelled out its activities were in fact representatives of the “employing agency”. The result was often pressure from the MPPs on the LCBO to act contrary to the ideal intent of the *Liquor Control Act*: in other words, to act along the lines of patronage.

The Niagara example, however, suggests that the LCBO often resisted such pressures. These results, examined in more detail below, challenge the notion the LCBO was heavily involved in patronage.⁵¹ In Niagara, at least, pleas for special favour based upon a proprietor’s political affiliation or power in local political circles often fell on deaf ears. That is not to say that MPPs had no influence. An endorsement from an MPP was still valuable. An MPP’s opinion could sway the LCBO and convince its administrators to err on the side of favouring friends of the local member, and a bad report from an MPP could damage a proprietor’s chances of receiving an authority. But MPPs who blatantly pressed their causes simply for the sake of their own political survival tended to be ignored.

The expectation of patronage as the reward for an applicant’s years of party service often appears in the letters of hotel proprietors hoping for an authority. Frequently, when arguing against the removal or refusal of an authority, hotel proprietors or their advocates would allude to the good work an applicant had done in past for the Liberal Party. For example, George MacSween of the Belmont Hotel wrote to Commissioner Odette in 1934, soon after the Liberals formed the government, with a plea for the Board to reconsider his rejected application. He added, “I might say by way of passing that I have been a life-long supporter of the Liberal Party.... I have always done my best through the long dark days.”⁵² When Vincent Sacco wrote to the Premier Hepburn, appealing for help in acquiring a licence, he observed, “I am being put out of my property by the Liberal Party for which I have worked and supported all my life.”⁵³ Generally these pleas were ineffective.

Similarly, local Liberal associations found their influence was limited when attempting to urge the Board to act in their favour. For example, when the Liberal Association of Port Colborne wrote to the LCBO, expressing concern that a “rank conservative” had received an authority at that city’s Ritz Hotel instead of the Liberal whom they had supported, the complaint had no

51 Heron, *Booze*, pp. 157, 174.

52 AO/LCBO, RG 36-1-0-614, MacSween to Odette, December 22, 1934.

53 AO/LCBO, RG 36-1-0-738, Sacco to Hepburn, July 22, 1937.

effect on the Board's actions.⁵⁴ Likewise, the Port Dalhousie Women's Liberal Association complained that "another" hotel had been licensed in their small town, but this appeal had no impact on the Board's decision.⁵⁵ Even formal party affiliation had limited effect.

More significant was the direct pressure placed by members of federal or provincial governments who were hoping to defend their political careers. Sacco's application was supported by William Houck, who referred to Sacco as "a very personal friend of mine". When Smith noted that there were other hotels with authorities nearby, Houck admitted that "the Niagara Hotel is practically next door but the owner of that is quite a decided opponent of mine and naturally I am not inclined to favour him".⁵⁶ E. J. Anderson, MPP for Thorold in 1934, wrote to Odette about an Italian applicant for an authority at the Ormond Hotel, adding, "Mr Sarravelli is the first Liberal worker to make an application for a license in my riding. He organized two groups of Italians and has been to a great extent responsible for changing the town of Thorold from a 700 Tory majority to a Liberal majority of nearly 400."⁵⁷ The mayor of Niagara Falls included in his endorsement of the application of the proprietors of the Cliff Hotel the observation that "his family ... have been in business here and are large property owners and heavy tax payers and further more have been strong Liberals through both lean and full years of the party".⁵⁸ These endorsements do not appear to have influenced the Board's decisions; in keeping with the ideal of the rational bureaucracy, the LCBO resisted the political culture in which party interests were expected to hold sway.

More extreme political pressure was exerted by politicians who felt that their political futures depended upon one individual receiving a liquor licence. In these cases the licence became a form of political currency, but, unfortunately for the politicians, the LCBO was not selling. Two instances of political influence demonstrate both the persistence of the politicians and the resilience of LCBO authorities in resisting this pressure. The first occurred when the Marcks brothers of Hamilton applied to open a hotel in St. Catharines. Previously, the Board had decided that there were enough authorities in the city and that no more would be granted. At the time of that decision in 1934, Frederick Avery was mayor and an ardent opponent to new authorities being granted. Two years later, Avery had been elected as the Liberal member of the provincial legislature and began petitioning the LCBO for an authority for the Marcks Hotel. Inspector Wylie was "unable to understand

54 AO/LCBO, RG 36-8 (Ritz Hotel, Port Colborne), D. B. Cross to LCBO, January 26, 1935; Hugh Clark to LCBO, February 1, 1935. See also a similar situation in AO/LCBO, RG 36-8 (Elliott Hotel, Niagara Falls), Liberal Club of Niagara Falls to LCBO, received September 18, 1935.

55 AO/LCBO, RG 36-8 (Lincoln Hotel, Port Dalhousie), telegraph from President of Port Dalhousie Women's Liberal Association, August 28, 1934.

56 AO/LCBO, RG 36-1-0-738, Houck to Smith, August 4, 1936; April 7, 1937.

57 AO/LCBO, RG 36-1-0-7-1529, E. J. Anderson to Odette, October 10, 1934.

58 AO/LCBO, RG 36-1-0-716, Mayor to Odette, July 30, 1934.

the attitude of Mr. Avery with regard to this application”, reciting the times that Avery had supported the Board’s earlier decision. Indeed, Avery had observed that “the probability that further issues [of authorities] would antagonize public opinion, and thereby imperil my status as Member”.⁵⁹ The issue became a hot topic in the city, with the *St. Catharines Standard* editorializing that the government was granting authorities indiscriminately, just to make money. The secretary of the Hotel Keepers Association of St. Catharines and District chimed in, arguing that “to add to that number [of authorities] will only stimulate the growing agitation to bring on a local option vote”.⁶⁰ Exasperated, Smith wrote to Avery, in a letter marked personal and confidential, that these protests mirrored his own views and that, “as it is not the policy to mention anything about your desire in the matter, perhaps you can offset things by notifying these people who are likely to protest that you are anxious for the Hotel, and in that way, it might prevent some of the protests coming to this office, as I certainly feel there are going to be plenty of them”.⁶¹ Smith was politely telling Avery that, if the MPP wanted this authority to be granted so badly, he would have to face the political pressure for the decision. It does not appear that the hotel authority was granted.

More desperate — and, for Smith, frustrating — were the actions of William Houck, who often wrote letters asking for special privileges. Most notable with respect to politics was his defence of an application at Crystal Beach by a member of a notable family, the Teals. The situation was complex, not least because Houck persisted in arguing for special consideration for the Teals; it also involved the parochialism of the location, the political power and vanity of local powers, and the importance of local political machines to the party. This instance also illustrates well that, while Smith was willing to be flexible, he was not willing to ignore the rules for simple political aspirations of a politician.

Mrs. Teal owned a four-bedroom hotel and a restaurant in Crystal Beach, a popular resort town at the south end of the Niagara Peninsula. Prior to 1935 she had received an authority for the restaurant, which had been granted in error. When Smith discussed it with her, he agreed to allow her to have the authority until the end of the year, but warned that she would lose it after that. When she applied again in the spring of 1936, the LCBO immediately rejected the application. Houck wrote to Smith, arguing that the Teal family “command the greater majority of the electorate of Crystal Beach” and that he would be in danger of losing his seat in the next election were their authority not granted. He added that the community’s concern over Teal not receiving an authority was bolstered by the fact that a family named Sheehan, who “are not held in very high esteem and furthermore they are not citizens”, had

59 AO/LCBO, RG 36-1-0-614, Wylie to Smith, April 14, 1936.

60 *St. Catharines Standard*, May 19, 1936; AO/LCBO, RG 36-1-0-614, W. H. Brown to Smith, May 19, 1936.

61 AO/LCBO, RG 36-1-0-614, Smith to Avery, May 20, 1936.

received an authority. Smith was steadfast in his refusal to change the decision of the Board, despite repeated entreaties by Houck. After a few weeks of persistent and increasingly desperate letters from Houck, Smith wrote a very pointed letter to the MPP. After reminding Houck of the circumstances around the denial of the authority, he noted that, instead of attempting to procure real hotel premises as Smith had suggested, Teal

did nothing along this line, contenting herself to merely decide that by kicking up enough fuss, she could defy the Board and get a license for premises that are absolutely nothing more nor less, than a fire trap and a disgrace as far as carrying the label of a Hotel with an authority from the Liquor Control Board..... [S]he merely sits back and says “I have a Restaurant and I demand that it be called a Hotel and licensed as such.” ... From enquiries which I have made into the vicinity, I do not think these people have nearly as much influence as you give them credit for having, and I do not believe it is right for a person to sponsor [*sic*] something that is not just and right.⁶²

Smith did not waver in his opposition, despite Houck’s repeated requests. At the end of June, the Board granted a temporary authority, conceding to several pleas that Mrs. Teal was a widow and that losing her authority would cause her considerable financial difficulty.⁶³ Eventually the Teal family purchased a nearby hotel, the Princess, for which they applied for an authority in October and which they renamed Teal’s Hotel.⁶⁴

Such conflicts between the priorities of the politicians and the ideals of the bureaucrats suggest a strong sense among the LCBO administrators that they needed to maintain a certain amount of distance from the political machinations of local members of parliament. The situation of the Board administrators was precarious, however. They still often sought input from politicians to evaluate the suitability of a proprietor to hold an authority. Politicians could and did endorse their own friends or party faithful. Yet the Board sought to balance this reality with its own sense of moral legitimacy. When the proprietor of the New Stadler Hotel in St. Catharines tried to muster political pressure to have an authority passed, in spite of repeated arguments that there were “sufficient authorities”, Inspector Wylie advised the Board to hold its ground.

If the Board should continue to hold to its present attitude of withholding the Authority no harm is likely to come to the Liberal Party as a result, but if it should happen that the Hotel be restored to its former status on the essential nature of the appeals now being made, then I fear the re-action would be against the Board.... I am, therefore, recommending with a knowledge of the circumstances, that so long as the restoration of this Authority be a matter of political

62 AO/LCBO, RG 36–1–0–1501, Smith to Houck, June 19, 1936.

63 AO/LCBO RG 36–8 (Teal Hotel Files), Carl Teal to Smith, May 4, 1936; Smith to J. Teal, June 30, 1936.

64 AO/LCBO, RG 36–1–0–1501, Application forms (Princess Hotel file).

concern that the Authority be withheld. That at least would disclose to the public that the Board may not be intimidated where the conduct of Hotels is involved.⁶⁵

The intimidation was political, from Liberal Party members. While appearing to act on political motives would in turn potentially damage the authority of the Board, Wylie argued, by standing their ground LCBO officials would demonstrate the apolitical nature of the Board, thereby bolstering its moral authority as an objective guarantor of public order.

Such interest in bolstering its own authority, of course, demonstrates an inherent contradiction in the Board's existence. Attempting to appear apolitical was a political tactic, designed to enforce an image of the ideal-typical bureaucracy that superseded politics. Such notions were central to the integrity and persistence of the bureaucracy and to the notion of an enlightened, objective social regulator. By positioning itself as an apolitical, objective guardian of public order, the Board reinforced its moral authority to regulate and shape drinking behaviour to adhere to notions of middle-class respectability.

The operation of the LCBO in the Niagara Region suggests several patterns of regulatory activity and illuminates the nature of the emerging bureaucracy. Established to rationalize the distribution and consumption of an intensely problematic commodity, the LCBO attempted to impose a specific notion of proper public behaviour on the population. In the post-prohibition period, the LCBO had the opportunity to recast public drinking along lines encouraging moderation and based upon a specific set of value assumptions related to industriousness and the integrity of the family. This value system reflected common conceptions of middle-class respectability and drew upon pre-prohibition temperance values. The case of the LCBO's work in Niagara, then, suggests that the Board sought to impose a middle-class notion of proper behaviour on the often working-class activity of public alcohol consumption. By establishing a bureaucracy to regulate the drinking behaviour of the community, the government created a regulatory regime in an attempt to bring some sort of objective approach to hotel licensing that would break with the patronage system of the past, while establishing powerful norms for drinking for the future.

Any case study offers some answers and raises new questions. The relationship between the bureaucracy and members of parliament needs further investigation. Was the Niagara case atypical? Did the bureaucrats have better relationships and therefore were they less strict about enforcing certain rules in other communities? Did other communities have priorities that overshadowed the family-centred focus that emerges in Niagara? Certainly the tourist industry, especially around Niagara Falls, could skew the focus on the number of hotels and the type of activities that went on in them. Since each region had different inspectors, what impact did the inspectors' reports have on the

65 AO/LCBO, RG 36-8 (Harding Hotel file), Wylie memo to LCBO, April 5, 1937.

way the Board regulated individual hotels? Such questions will be addressed as the current project expands into investigating other communities. Meanwhile, however, evidence from the Niagara Region offers clear indications of the role the LCBO saw itself playing in shaping the public drinking behaviour of a community, around notions of respectability based upon a persistent, class-oriented value system.