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## **Enjoying America's Drink: The Shift from Saloon to Residence**

### **Introduction**

The consumption of beer in America has been dramatically shaped by the political circumstances through which it grew up to become the giant industry it is today. In 2014 there were 84 million beer drinkers in the U.S. It is a \$144 billion industry and the average American consumes 22 gallons per year.<sup>1</sup> The vast majority of which is consumed in private--in their own home or at a private event. Saloons and bars serve a significantly smaller portion of the overall beer consumed than they once did. This paper argues that the reasons for this shift from public to private consumption had many factors; at the start of Prohibition people began to stockpile alcoholic beverages to be consumed in their home which had not been done since the time of every family making their own homebrew for personal use. Prohibition also had a dramatic effect on the consumption of beer. While it was in effect, more than half of America's breweries went out of business, leaving the remaining half to produce the quantity which was

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<sup>1</sup> Mittelman, Amy. *Brewing Battles : A History of American Beer*. New York: Algora Pub., 2008, pp. 1.

demanding after it ended, forcing a change to quantity over quality and a loss of the pure and healthful perception of beer. In addition, the new laws that were set in place after Prohibition ended prohibited breweries from controlling their entire supply chain and meant that they no longer could have corner saloons that exclusively sold their beer--leading to less corner saloons being available and people having to travel greater distances to reach them. Technology increases also allowed for this shift towards private consumption--the invention of bottled and canned beer and the ability to mass produce on a large scale.

## **Early Consumption**

Alcohol consumption in America in the 18<sup>th</sup> and early 19<sup>th</sup> century consisted of primarily home brewed or home distilled beverages due to lack of technology and infrastructure to produce and distribute it on any sort of larger scale. The infrastructure was not sufficient to allow for mass distribution of the quickly perishable beer they were producing--no bottling techniques were around yet. Most towns lacked the roads required for shipping beer from a central location. Instead, beer was brewed at home, mostly by women, and served at dinner for the family. Both men and women drank during this time.<sup>2</sup> Men mostly worked at home on their own land which allowed for home consumption to be the most convenient way to drink beer as well. In addition, during this

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<sup>2</sup> Mittelman, 7.

time there was no real standardization of the brewing process and the technology remained mostly stagnant—it was just a skill passed down from mother to daughter.

The true birth of saloons came in the early 19<sup>th</sup> century and was born out of the need for public meeting places. Besides the church, most towns had very few other places where they could gather. Public drinking had a humble start. Homebrewers began to brew for a few extra guests in their kitchen every night, and eventually these turned into larger operations. Towns began to have one or two brewers, still family businesses, who served and supplied the town from a central location.<sup>3</sup> These started as just the best of the homebrewers serving a little extra to guests, and turned into a full family operation. Celebrations, townwide meetings, and many meals were all eaten at these centralized taverns. Public drinking became the normal behavior. Everyone was involved in it including the women and sometimes children. The fact that these centralized taverns were small family run operations instead of big businesses allowed them to be viewed in a more positive light by most. They were viewed as a necessity to the town and there was very little sentiment against them—something that is lost when they began being operated by big breweries.<sup>4</sup>

## **Saloon Era**

Saloons became incredibly popular with the working class and the number of saloons skyrocketed in second half of the 19<sup>th</sup> century. Men had started to leave home

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<sup>3</sup> Mittelman, 22.

<sup>4</sup> Mittelman, 9.

to go to work and drinking in saloons became a predominantly male activity as women were still in charge of the home.<sup>5</sup> In Chicago there were more saloons than grocery stores, butchers, and almost any other type of store. The abundance of saloons shows that they were viewed as a necessity by most of the public.<sup>6</sup> In 1897 there were 215,000 licensed drinking establishments in the US, and that is not including all of the illegal ones.<sup>7</sup> Since they served free or very cheap quality food and sold alcohol they were the perfect mid workday stop. This was the heyday of American saloons and public drinking, and a lot of the negative sentiment that led to Prohibition came from the abundance of drinking establishments.

The high startup costs of saloons led most of them to be indebted to a large brewery in some way—and anti-saloon proponents viewed this as an extreme negative. Beginning in 1881 new laws on liquor licenses brought the government into the brewing industry like never before. In order for a saloon to get started, the owner had to pay a high licensing fee of between \$500 and \$1000 in addition to the costs of obtaining a suitable building along with furnishings.<sup>8</sup> The larger breweries, and the small ones who wanted to monopolize the market in their specific regions, began to financially support saloon owners. Saloon keepers would pay the brewers a fee, usually around \$200, and the brewery would pay the licensing fees as well as purchase furnishings and anything else needed. The brewer would then only be allowed to sell that brewer's beer and would pay a slight premium per barrel. Around 80% of all NYC breweries prior to

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<sup>5</sup> Mittelman, 17.

<sup>6</sup> Mittelman, 48.

<sup>7</sup> Mittelman, 48.

<sup>8</sup> Mittelman, 48.

Prohibition operated under this arrangement.<sup>9</sup> Saloons being owned by large breweries and no longer being family run built up the feeling that they were corrupt.

Saloon keepers became political forces in their neighborhoods. They were usually the same ethnicity as the clientele and viewed as a respected member of the community. In a lot of cases the brewery would supply the beer so the saloonkeeper could trade food and drinks for favors, jobs, votes, and goods.<sup>10</sup> Many politicians used saloons as a way to win votes by buying beer for all the constituents and delivering speeches inside them. The connection of alcohol and saloons with politics was cited as a reason why saloons were hurting society.

## **Prohibition & Repeal**

The debate leading up to and the duration of prohibition were a huge burden on the brewing industry and had a tremendous impact on the way Americans viewed and consumed their beer. The anti-alcohol movement cited numerous reasons for wanting the ban on alcohol to be put in place, among them were drunkards, political connection of alcohol and subsequently political manipulation, waste of money and time, and tied-houses (saloons indebted to breweries). The brewers and drinkers argued that beer was a necessity of life, it was doing no harm in the vast majority of instances, that the brewers funded through taxation a large portion of the federal government, and that saloons are necessary for their social value.

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<sup>9</sup> Mittelman, 48-49.

<sup>10</sup> Mittelman, 52.

Anti-saloon sentiment stemmed from a view that America would be a better place without alcohol consumption, and was argued that it was a completely unnecessary drag on society. One man sums the basis of the argument up: "I am opposed to the saloon and to the liquor traffic in all its forms. It is unnecessary; it is a waste; it is more than that; it is a positive evil and vicious in the highest degree. It represents no necessity and supplies no legitimate want."<sup>11</sup> They believed that there was nothing to be gained from alcohol consumption and that there was no need to have saloons around. It was viewed as an evil in which men would go lose themselves and become drunkards, and all kinds of lewd behaviour would occur.

The brewers took a huge hit in public opinion when they were caught trying to manipulate multiple elections related to women's suffrage and public drinking.<sup>12</sup> Before brewers had been viewed as honest and tax paying companies, but after this scandal broke public skepticism about the honesty of the brewers and their actions was heightened. In addition, women became more hostile towards drinking as the brewers were found out to be very anti women's suffrage--the brewers believed that letting women vote would lead to more scrutiny of their industry. Women were the leaders of the Temperance Movement and if they were given the power to vote, it would be disadvantageous for the brewers.

The taxation of the brewing and distilling industries also led to serious changes in the brewing industry and public sentiment about it. The first tax was placed on alcohol in

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<sup>11</sup> Moore, E. C., "The Social Value of the Saloon," *American Journal of Sociology*, Vol. 3, No. 1 (Jul., 1897), pp. 1-12.

<sup>12</sup> Mittelman, 80.

1862 by Abraham Lincoln to raise funds for the civil war.<sup>13</sup> The federal government entered in 1862 and has not left the industry since. Alcohol consumption was viewed by the government as an inelastic good--they believed they could tax it as much as they wanted and people would still consume it. In 1862 the first tax rate ever places on beer was \$50 for a yearly license to brew and \$1 per 31 gallon barrel of beer.<sup>14</sup> By 1865, these rates had risen significantly: \$2/gallon of pure alcohol content which was around ten times the rate they had been paying since 1862.<sup>15</sup> This rapid increase in taxes led to a spike of alcohol related criminal activity. Illegal brewing, tax evasion, and fraud started to give the industry a bad reputation.

Despite this tax rate being high, brewers maintained that they were paying it willingly and were happy to do their part to support the government. They believed that they were crucial to funding the country and there was no way that they could be shut down. This was one of the main arguments against prohibition put forth by the brewers. Ultimately, in 1906 when the first income tax was passed to help fund WWI, the dependence on alcohol taxes for federal funding was reduced enough to allow for Prohibition to occur.<sup>16</sup>

Meanwhile, these increased taxes, steep competition with the growing number of brewers, and price stagnation in the 1870's led to a huge decrease in the number of brewers. There were 4131 licensed breweries in 1873 and less than 200 in 1900.<sup>17</sup> To survive, these brewers had been starting to add cheaper materials to their beer such as

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<sup>13</sup> Mittelman, 23.

<sup>14</sup> Mittelman, 27.

<sup>15</sup> Mittelman, 33.

<sup>16</sup> Mittelman, 73.

<sup>17</sup> Mittelman, 41.

corn and rice in order to lower costs. They never fully admitted this at the time but anti-alcohol supporters jumped on this claiming that beer was no longer a pure and healthful drink.<sup>18</sup>

In this era of growing negative sentiment towards the liquor industry, drinking was almost exclusively done in public establishments by men--they were boys clubs, social clubs, and a place for those “craving of fellowship.”<sup>19</sup> Thomas Mador in an article titled “The Saloon as a Club” stated that “the saloon exists because the public demands it, and for no other reason.” He claims that as long as people continue to drink in the United States, “the saloon will be retained by the public as the most convenient and agreeable medium” and that “each man buying wholesale and mixing his own drinks is the merest nonsense.”<sup>20</sup> From these sources it is clear that public drinking was very much the prominent way of consuming, and drinking at home had been mostly forgotten. As prohibition came into effect however, this mentality was changed forever.

With the installation of prohibition of alcoholic beverages the federal government decimated an industry and lifestyle in one authoritative move. Saloons instantly became illegal and public drinking was halted. Prohibition had many effects on the way beer was consumed--people began stockpiling alcohol in their homes leading up to the installation of prohibition, illegal operations of bootleggers began distributing alcohol, many

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<sup>18</sup> Mittelman, 41.

<sup>19</sup> David Brundage, “The Producing Classes and the Saloon: Denver in the 1880’s,” unpublished manuscript, 1979, pp. 13.

<sup>20</sup> Gilmore, Thomas Mador, “The Saloon as a Club,” *The North American Review*, Vol. 157, No. 443 (Oct., 1893), pp. 511-512.

breweries had to shut their doors, and the soft drink industry made significant advances in bottling technologies.

The 18th Amendment to the U.S. Constitution was ratified on January 16th, 1919 but didn't go into effect until January 17th, 1920. People had an entire year to stockpile as much alcohol as they could into their homes. Once the drinks were most conveniently located in the home, as was the case after saloons were banned, consumption in the home once again became the norm. People were not going to stop drinking (if they could afford it) and the easiest way to drink, at least in the first few years of prohibition, was drawing from the stockpile at home. This dramatic and sudden shift played a major role in the change of perception of home consumption from "the merest nonsense"<sup>21</sup> to the socially accepted and essentially only way to consume.

The rise of bootleggers also aided in this transition. While their clientele also consisted of speakeasies and other illicit drinking establishments, their primary market was people purchasing for personal use. In a sense they were doing exactly what they had previously thought was a ridiculous idea--buying wholesale and mixing their own drinks at home. If they could afford it and acquire the ingredients, people returned to homebrewing as well. Al Capone was a leading bootlegger in the Chicago area and he alone had around \$60 million in revenue. Even though bootlegging led to crime, bribery, and violence, there was undoubtedly a substantial market for it.<sup>22</sup>

Thirteen years without being able to sell your main or only product wiped out almost half of the breweries across the U.S. Those that did survive did so by selling

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<sup>21</sup> Mador, 511-512.

<sup>22</sup> Mittelman, 88-89.

other goods--milk, butter, cheese, grain flour etc.<sup>23</sup> The bigger breweries that had capital left behind were in a much better position to take on a bigger share of the market once prohibition ended. These breweries invested significantly into better technologies and bottling techniques. In order to compete, smaller breweries would need to do so as well. As time went on and the capital just wasn't there for the smaller breweries they were ousted by their larger counterparts.<sup>24</sup>

Technological advances in the soft drink industry with regards to the machinery required to produce carbonated drinks as well as store and transport them. Bottling and canning technologies were advanced to the point of being viable for large scale beer applications. The first canned beer was introduced in 1935 and was seen to have very desirable qualities for the breweries. It was much easier and cheaper to ship than an entire keg or clunky bottles. The ease of shipping and carrying allowed canned beer to be widely shipped and distributed. The can allowed for very effective marketing campaigns for the brewery, and it allowed for portion control of beer brought home. Instead of tapping an entire keg or opening a large growler, a single can could just be opened. These advances made home consumption financially desirable for breweries and feasible for consumers.<sup>25</sup>

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<sup>23</sup> Mittelman, 83.

<sup>24</sup> Mittelman, 106.

<sup>25</sup> Mittelman, 107.

## Women & Beer

Saloons became increasingly more male in the mid 1800's as more and more men started leaving the home to work, while women stayed in charge of the home.<sup>26</sup> Women were mostly left out of the consumption of alcohol in the years leading up to prohibition, and with the scandals of breweries being opposed to women's suffrage, they were the leaders in the temperance and anti-saloon movements. However contrary to the way Temperance leaders imagined prohibition to be, as the negative sentiment towards drinking waned in the later half of prohibition women and men began to drink together in speakeasies and at home.<sup>27</sup> After the repeal of prohibition, breweries and distilleries learned quickly they had to target their marketing campaigns towards women as well. The results of a survey conducted every year show us that since 1939 over two thirds of American adults drink alcohol.<sup>28</sup> Women became a large part of the alcohol industry after Repeal, and that hasn't changed since.

Women were in charge of the home, and having had the drinking mostly occur in the home during prohibition led women to be a part of the drinking culture once again. Once Repeal was enacted women helped continue the shift towards private drinking by the simple fact that they did the shopping. Now that cans/bottles were becoming readily available in grocery stores where women did the shopping, beer was being purchased as part of the supplies for the family.<sup>29</sup> It was the inclusion of women into the drinking

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<sup>26</sup> Mittelman, 17.

<sup>27</sup> Mittelman, 111.

<sup>28</sup> Peck, Garrett. *The Prohibition Hangover Alcohol in America From Demon Rum to Cult Cabernet*. New Brunswick, N.J.: Rutgers University Press, 2009.

<sup>29</sup> Mittelman, 119.

population by happenstance of prohibition that helped force the home to be infiltrated by beer consumption.

## **Conclusion**

Many other social and convenience related factors played into the shift from public beer consumption to the overwhelming majority of consumption being done in private. The cycle from home consumption when women were the homebrewers, to a male dominate public drinking boom during the saloon era, back to mixed gender consumption in the home following prohibition gives us insight into the social and political trends of the late 19th and early 20th centuries. Prohibition also forced this change to private consumption by the mere fact that private consumption was the most feasible way for citizens to drink. Women once again became included and since women were in charge of the home and in charge of shopping for the home, marketers began to target women as well and this led to the purchase of beer for serving at home. Another major factor was the technological advances in the bottling and canning of beer that allowed for mass distribution and easy consumer purchase from a grocery store. All these factors pushed beer out of the saloon and into the home--and it has stayed there ever since.

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