

# CHAPTER 1

## THE BEVERAGE INDUSTRY, YESTERDAY AND TODAY

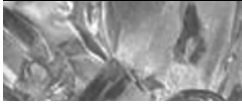
**D**rinking alcoholic beverages is as old as human history, and making a profit from serving such drinks came right on the heels of drinking them. Throughout history, alcoholic beverages have been a part of everyday life in most cultures, used in tinctures, tonics, and remedies. In light of recent scientific evidence, some physicians recommend moderate alcohol consumption (one to two glasses of wine) on a daily basis. However, alcoholic beverages contain another ingredient that can't be easily described: A sense of mystique and magic that can take the edge off human troubles, lift you up when you're down, and add a special dimension to a ceremony or celebration.

There is also a dark side to alcoholic beverages, which will be discussed in upcoming chapters. However, the purpose of this chapter is to take a quick yet comprehensive tour of the alcoholic beverages and service venues of yesterday and today, exploring the good and the bad. It's a necessary and enlightening road, providing you with the knowledge to better understand today's bar and beverage industry challenges.

### **THIS CHAPTER WILL HELP YOU . . .**

- Learn the historical importance of alcohol in religious rites, ceremonies, and medical treatment; in meals; in fellowship; and in humankind's search for wisdom and truth.
- Learn about how wine, beer, and distilled spirits were created.
- Trace the history of the tavern in Europe and America and recount the role that taverns played in the American Revolution.
- Examine the impact of Prohibition on the bar industry.
- Compare and contrast the types of businesses that make up today's beverage-service industry.





In the last century in the United States alone, the bar and beverage business has gone from an illegal enterprise carried on behind the locked doors of a *speakeasy* to one of the nation's most glamorous and profitable businesses. Together with the foodservice or restaurant business, the two form the country's fourth-largest industry. In fact, it is impossible to separate them.

In the 1930s, the United States was nearing the end of *Prohibition*, which was an unsuccessful attempt to regulate alcohol consumption by outlawing it entirely. History tells us that such attempts have never worked because people find other ways to get what they want. From earliest times, human beings seem to have wanted alcoholic beverages. Indeed, some historians theorize that one of the reasons our nomadic forebears settled into civilized life was to raise grain and grapes to ensure supplies of what they looked upon as sacred beverages.

## THE EARLIEST WINES

Perhaps 8,000 to 10,000 years ago, someone discovered that when fruit (or grain, milk, or rice) was fermented, the results tasted good, made one happy—or both. Archaeologists say the Chinese were making wine from a mixed fermented beverage made from rice, beeswax-honey and either wild grapes or hawthorn berries. The Bible mentions wine consumption in both the Old and New Testaments. When Noah settled down after the flood, he planted a vineyard “. . . and he drank of the wine and was drunken.”

With all of alcohol's benefits and hazards, it was a universal feature of early civilizations. People around the world fermented anything that would ferment: honey, grapes, grains, dates, rice, sugarcane, milk, palms, peppers, berries, sesame seeds, pomegranates. Almost all of the world's wines (the ones made from grapes, that is) can be traced to a single Eurasian grape species, *Vitis vinifera*. We know that grapes were being cultivated as early as 6,000 B.C. in the Middle East and Asia. The Egyptians, Phoenicians, and Chinese were all tending their vines at about the same time. It is believed that the ancient Greeks got their *viticulture* knowledge from the Egyptians, and began to make wine about 2,000 B.C., although Italian archaeologists have found evidence that perhaps the island nation of Cyprus was the first in Europe to make wine. While some civilizations drank from cattle horns, the Cypriots also were the first to make a horn-shaped receptacle out of pottery. A sweet dessert wine, called *Commandaria*, is perhaps the world's oldest “brand name.” It was named after the territories into which Cyprus was subdivided during the Crusades, and has been made and marketed since then.

Historians continue to debate the exact origin of the term wine, but there is wide agreement that the Hittite characters that spell *wee-on* are probably the first recorded word for wine, around 1,500 B.C. The Oxford English Dictionary credits the old English word *win*, which derived from the Latin *vinum* and is further traced to the ancient Greek word *oinos*. Indeed, the Greek term *oinos logos* (“wine logic”) is the origin of the modern word for the study of wine: enology (the American spelling) or oenology (the British spelling).

The Greeks first discovered the practice of aging wines, storing them in cylinders known as *amphorae*. Made of clay, they were remarkably airtight. Fifteen hundred years later, the Romans tried a similar method, but their clay was more porous and didn't work as well. So they began coating their clay vessels with tar on the insides, a process known as *pitching*. Yes, it prevented air from mixing with wine, but can you imagine what the addition of tar must have done to the quality of the wine?

By 1,000 B.C. grapevines were found in Sicily and Northern Africa. Within the next 500 years, grapevines reached the Iberian Peninsula, Southern France, and even Southern Russia. Conquering Saracen (Arab) tribes in the Middle Ages brought both winemaking and *distillation* skills with them. The words *alcohol* and *still* are Arabic in origin.

As the Roman Empire spread it, brought grapes to Northern Europe, too. After the fall of the Roman Empire, the Catholic Church was the most prominent promoter of viticulture. Monasteries became the vanguards of wine production and knowledge because wine was needed both in everyday life and in sacramental activities. The Portuguese are credited with shipping the first corked bottles of wine to England, but not until the year 1780.

In one of the more fascinating discoveries of this century—at least, for wine lovers—a bottle of wine from the 1700s was discovered in 2002, bobbing around in the North Sea off the coast of The Netherlands. Although the cork was soft, no appreciable amount of seawater had seeped into the flask-like glass bottle. A tasting panel of seven experts gathered to sip and study the contents. They decided it was an early variant of dry port that had been colored with a small amount of elderberry juice. Its alcohol content was estimated at 10.6 percent, it showed no traces of oxidation, and its acidity compared favorably to present-day wines.

In many cultures, people associated intoxicating beverages with wisdom. Early Persians discussed all matters of importance twice: once when they were sober and once when they were drunk. Saxons in ancient England opened their council meetings by passing around a large, stone mug of beer. Greeks held their famous symposiums (philosophical discussions) during hours of after-dinner drinking. In fact, the word *symposium* means “drinking together.” As the Roman historian Pliny summed it up, “*In vino veritas*” (“In wine there is truth”).

Alcoholic beverages, often in combination with herbs, have been used for centuries as medicines and tonics. Indeed, herbs and alcohol were among the few ways of treating or preventing disease until about a century ago. But probably the most important historic use of alcoholic beverages was also the simplest: as food and drink. Bread and *ale*, or bread and wine, were the staples of any meal for an ordinary person, with the drink considered food. For centuries these hearty beverages provided up to half the calories needed for a day's heavy labor. In addition, they were considered the only liquids fit to drink, with good reason. Household water was commonly polluted. Milk could cause *milk sickness* (tuberculosis). But beer, ale, and wine were disease-free, tasty, and thirst-quenching, crucial qualities in societies that preserved food with salt and washed it down with a diet of starches.

Both wines and grapevines were imported from France to the New World in the 1700s. As U.S. minister to France, Thomas Jefferson was one of the primary supporters of the fledgling winemaking industry and tried (passionately but unsuccessfully)

to grow his own grapes at Monticello. By the early 1900s, about 1700 wineries dotted the United States, and they were mostly small, family-owned businesses. Wine was still considered an effete beverage until the 1800s, when Italian immigrants came to the United States with their home winemaking skills and a hospitable culture that accepted wine as a simple, everyday part of mealtimes and celebrations. Many of today's best-known California winemakers, with names like Gallo and Mondavi, are descendants of these immigrant families.

Today, the world's largest wine museum is located in Briones, a town in the Rioja region of Spain, about 180 miles northeast of Madrid. From a thirteenth-century wine vessel, to more than 3,000 corkscrews, you can learn about the history of wine-making in English or Spanish. The facility is a five-story building owned by the Vivanco family, on their Dinastia Vivanco winery property.

## WINE AND RELIGION

Early beers, ales, and wines were considered gifts from the gods—that is, miracle products with magical powers. People used them universally in religious rites, and they still do. The Israelites of the Old Testament offered libations to Jehovah. The Romans honored *Bacchus*, god of wine (see Figure 1.1). Christians used wine in the sacrament of Communion. Primitive peoples used fermented beverages in their sacred rites. Victories, weddings, and other sacred and joyous occasions were celebrated with wine or ale. Camaraderie and fellowship were acknowledged with a “loving cup,” passed around the table and shared by all until it was emptied.

Of all alcoholic beverages, wine maintains the greatest religious connection. In the book *Religion and Wine: A Cultural History of Wine-Drinking in the United States* (University of Tennessee Press, 1996), author Robert Fuller traces the development of winemaking from the French Huguenots, Protestants who settled along the East Coast of North America in the 1500s, to the Pilgrims in Plymouth Bay in the 1600s to the Franciscan friars and Jesuit priests who built the early missions in California during the 1700s and 1800s. Whether these early Americans were Baptists, Methodists, or Mormons, they permitted and enjoyed limited wine consumption as part of their worship.

According to Fuller, the United States did not have “grape-juice Protestants” (a nickname for those who decried the alcohol content of wine and replaced it in ceremonies with grape juice) until the late eighteenth century. Interestingly, Thomas Welch, a dentist and Methodist minister, developed this alternative; the Welch name is now well known as a brand of juice products. At that time, attitudes about alcohol changed as some religious groups (Fuller calls them “ascetic Christians”) began to espouse the theory that the road to heaven required total self-discipline, including the denial of all earthly pleasures. Some groups feared that consuming alcohol would weaken sensibility, ethics, and moral values and diminish self-control in an age where many churches sought greater control over their members.

Conversely, other religious groups felt just as strongly that rituals using wine could mediate God's presence and foster greater enjoyment of what life had to offer. These



**FIGURE 1.1** Bacchus, the Roman god of wine. Photo courtesy the Picture Collection, The Branch Libraries, The New York Public Library.

included Roman Catholics, Eastern Orthodox, Episcopalians, and Lutherans. And so the rift widened. Since the 1800s, the relationship between alcohol and religion has been the subject of debate and ambivalence. Almost two centuries later, in 1990, California winemaker Robert Mondavi designed a new label for his wines that included a paragraph extolling the beverage's longtime role in culture and religion. In part it read, "Wine has been with us since the beginning of civilization. It is a temperate, civilized, sacred, romantic mealtime beverage recommended in the Bible . . ." Mondavi was prohibited from using this wording by the U.S. Bureau of Alcohol, Tobacco and Firearms.

## A BRIEF HISTORY OF BEER

The Sumerians (a generic name for the ancient inhabitants of Mesopotamia) are said to have discovered the beer fermentation process quite by chance. They must have liked it: They had a goddess of brewing, *Ninkasi*, and a hymn to her, which was the beer-making recipe put to music.

Their successors, the Babylonians, knew how to brew 20 different types of beer. Scribes recorded the recipes as early as 6,000 B.C. The ancient Egyptians made note of Ramses III, the pharaoh whose annual sacrifice of about 30,000 gallons of beer appeased "thirsty gods." The Egyptians passed on their brewing knowledge to the Greeks and Romans. In each of these civilizations, wine was considered the trendy beverage, and beer was brewed on the outer fringes of the empires, where wine ingredients were apparently more difficult to get. Thus, we find beer brewed on German soil for the first time around the year 800 B.C.

The word *beer* comes from the ancient Latin word *biber*, a slang term for the beverage made by fermenting grain, and adding hops for flavoring. In ancient times *biber* was considered lower class compared to ale, which was made in similar fashion but without the addition of hops. Hops became popular in Europe in the Middle Ages when it was discovered they served as a natural preservative; other herbs had been tried, sometimes with disastrous (i.e., poisonous) results. Not until the year 1516, however, did the Duke of Bavaria proclaim the German Beer Purity Law, establishing for the first time that only barley, hops, and pure water could be used to make beer in that region. (The use of yeast was not yet known.) It is the oldest valid food and/or beverage law in the world. Today, the European Union will permit importation of beers that are not brewed in accordance with the Beer Purity Law—but only if this fact is clearly stated on the label.

Until the Middle Ages, both beer brewing and bread baking were viewed largely as women's work. In ancient Babylon only priestesses made beer, connecting it with religion for the first time. This connection became even stronger in Europe around A.D. 1,000 when monasteries turned their attention to brewing, for profit and their own mealtime use. Even during periods of fasting, monks were permitted to have beer.

During this time period, the brewing process also was fine-tuned for different purposes. There were everyday, lower-alcohol beers, and others with higher alcohol content for special occasions. The modern term *bridal* joins the words *bride* and *ale*; a *bride's ale* was brewed by a young woman's family in preparation for wedding festivities.

Just about every civilization has made some type of beer, from whatever grain or root or plant was available in abundance. African tribes made their beer from millet; in Japan, the chief ingredient was rice; in Europe and North and South America, it was barley. The brew was hearty and filling, and provided calories and nutrients to fuel manual labor. The significance of beer in the average person's diet was demonstrated at the landing of the Mayflower at Plymouth, in what is now Massachusetts. The Pilgrims were headed for Virginia, but the ship was running out of beer. So they were "hasted ashore and made to drink water that the seamen might have more beer," wrote Governor Bradford later.

Before 1850, the beverage preference in the United States was ale, which had been popular in England. It was made like beer, but fermented more quickly, at higher temperatures than beer.

Beer production and sales played colorful parts in U.S. history. The Dutch West Indies Company opened the first American brewery in 1632, in Lower Manhattan. There is speculation that the crude streets of New Amsterdam (later New York City) were paved to help the horse-drawn beer wagons make better progress, because they were so often stuck in the mud. Brewing became an aristocratic and popular business. William Penn, the Quaker leader who founded the state of Pennsylvania, Revolutionary War leaders Samuel Adams and Ethan Allen, and even George Washington, all were brewery owners. (Adams is credited with suggesting to Washington that he supply the Revolutionary Army with two quarts of beer per soldier per day.)

By the mid-nineteenth century, brewing dynasties that are still household names among today's beer aficionados had begun in the United States. In Detroit, Michigan, Bernard Stroh, from a beer-making family in Rhineland, Germany, opened his brewing company in 1850. Five years later Frederick Miller purchased an existing facility, Best's Brewery in Milwaukee, Wisconsin. In St. Louis, Missouri, Eberhard Anheuser purchased a struggling brewery in 1860. His daughter married Adolphus Busch, a German immigrant whose family supplied grains and hops, and the mighty Anheuser-Busch Company was born. (See Figure 1.2.) A dozen years later, Adolph Coors, another German immigrant from the Rhineland, started to brew beer in Colorado.

The Germans brought with them a different brewing style that produced a lighter beer known as *lager*, which is paler and clearer in appearance than ale and has a drier flavor. Its name comes from a German word for *storage* or *storehouse*; it was routinely stored for several months in cold temperatures before serving. Making lager-style beer required ice, so it was typically brewed in winter and stored until summer, when the demand was highest. Milwaukee emerged as the nation's brewing center for the most practical reason: Ice was easily available from Lake Michigan, and there were plenty of local caves to store the beer. When refrigerators and icemakers were invented, lager could be brewed anytime, anyplace.

Heat was just as important as cold to the fast-growing beer-making industry. The French chemist Louis Pasteur discovered in the 1800s that, like milk or cider, beer could be heated to sufficient temperature to kill harmful bacteria without diminishing the quality of the brew. This process of *pasteurization* enabled beer to be bottled for shipment. Pasteur also experimented with live brewer's yeast to prompt fermentation. Yeast had been around for many centuries and used for cooking and medicinal



**FIGURE 1.2** Adolphus Busch's original six-story Brew House, built in 1891–92, is still part of AB InBev's St. Louis, Missouri, operation. Courtesy of Anheuser-Busch.

purposes. With the advent of reliable and sanitary methods of propagating yeast, the brewer's ability to make consistent beers, batch after batch, was greatly improved. By the 1960s stainless-steel barrels were replacing the old wooden ones in modern breweries. These metal barrels are considered to be more hygienic, and easier to fill and tap.

## DISTILLED SPIRITS IN BRIEF

The process of distillation—first heating, then cooling and condensing liquids to extract and concentrate their alcohol content—was known in crude form even in ancient times. The Chinese and the peoples of the East Indies distilled liquids and used the resulting potions for medicinal purposes as early as 800 B.C. About the time the Pilgrims ran out of beer at Plymouth Rock, these forms of concentrated alcohol were coming into favor in Europe.

*Distilled spirits* made from fermented liquids were much more potent than the original liquids. The first ones were called *aqua vitae* (water of life) and used as medicines, but they were quickly assimilated into society as beverages. Highland

Scots and Irish distillers made whiskey. The French distilled wine to make brandy. A Dutch doctor's experiments produced gin, which is alcohol flavored with the juniper berry. In Russia and Poland the distilled spirit was vodka. In the West Indies rum was made from sugarcane, while in Mexico, Spaniards distilled the Indians' native drink to make *mescal*, the great-grandfather of today's tequila. With increasing supplies of spirits and their high alcohol content, excessive drinking became a national problem in several European countries. In England cheap gin became the drink of the poor. They could and did get "drunk for a penny, dead drunk for two pence," as one gin mill advertised. This particular mill, in the same advertisement, mentioned that it also provided "free straw" (a bed of hay) for sleeping it off.

Across the Atlantic, Americans welcomed the new spirits. Rum soon became the most popular drink and New England became a leading manufacturer. George Washington put rum to political use when he ran for the Virginia legislature, giving each voter a barrel of rum, beer, wine, or hard cider. By the end of the century, whiskey was challenging rum in popularity.

Seeing a potential new income source, the new U.S. Congress enacted the first tax on whiskey production in 1791. Many of the distillers, still trying to recover financially from the Revolutionary War, did not have much money and refused to pay the taxes. By 1794, President Washington had a real problem on his hands. He mustered 12,000 troops and marched into Pennsylvania to avert the so-called Whiskey Rebellion. It ended without a shot being fired, but many angry distillers packed up and moved farther west to enjoy greater freedom and avoid future confrontations.

When Washington's presidency ended in 1797, he was once again a forerunner in the distilling business, making his own rye from his own grain in his own stills at Mount Vernon, Virginia. In one year, his distillery produced 11,000 gallons of whiskey and showed a profit of \$7,500, which is equal to about \$105,000 today. Here's his recipe, called a *mash bill*:

1. Start with 65 percent rye, 30 percent corn, and 5 percent malted barley, each ground (separately) into a coarse meal.
2. Mix the rye and corn. (This was done in a wooden vessel called a hogshead.) Add hot and cold water, and stick your hand into the mash to make sure it is not too hot. If it does not burn, the temperature is just right. Add the barley and stir.
3. Cool the mixture a bit more and add yeast. Let the mixture ferment for a few days.
4. Pour the mixture into a copper still and let it boil. The alcohol will vaporize and condense, flowing out of a tube (also known as a worm).
5. Collect the liquid and run it through the copper still one more time.

Washington probably barreled his whiskey and sold it immediately; modern-day distillers would have aged it for a few years. A few of today's top U.S. whiskey makers followed the recipe in 2003 to create a special batch for an auction to benefit the Mount Vernon estate, now an historic landmark. The Distilled Spirits Council, a trade group, spent more than \$1 million to excavate the site where the original distillery stood and re-created it as an educational exhibit. It includes five copper stills, mash tubs, and a boiler where distillers demonstrate eighteenth-century techniques in a two-story building. George Washington's Distillery is known as the "Gateway to the American Whiskey Trail."

The distillers who relocated to Tennessee and Kentucky after the Whiskey Rebellion inadvertently discovered a gold mine of sorts there: cold, clear water supplies that are still famous for their role in whiskey production. The spirit soon became known as *Bourbon*, since some of the first distillers set up shop in Bourbon County, Kentucky. As the American West was settled, whiskey was easier to store and transport than beer or wine; in great demand, it became a very popular commodity in the trade-and-barter commerce of frontier life.

Distillation gained momentum as the process was refined. *Rectification* (described more fully in Chapter 5), or distilling a liquid more than once, yielded a much cleaner and almost 100 percent pure spirits than previous efforts. Before rectification was perfected, spirits contained flavor impurities. Herbs, honey, and/ or flowers were added to mask them. After rectification these items were also routinely added, but now to enhance the flavor. Some of today's grand liqueurs are the results of these early flavor concoctions. Cognac, for instance, was a pale, acidic French wine for which there was little public demand—until it was concentrated in the 1600s as an *eau de vie*, French for *aqua vitae*. It became enormously popular and still is today.

## ALCOHOL AND HEALTH IN HISTORY

Alcoholic beverages, particularly wines, were the prime medicinal agents of our ancestors from the ancient world into the early nineteenth century. Wine was the most common ingredient in the medicines of ancient Egypt, Syria, and Mesopotamia, either taken by mouth or topically applied. The Roman scholar Pliny the Elder recommended a mixture of wine and rue (a strongly scented, bitter-tasting shrub) for just about any type of insect sting or animal bite. Jewish Talmudic tradition maintained that heating and drinking a mixture of wine and ground saffron could cure impotence. The name for brandy came from the Dutch term meaning “burnt wine,” and it was used as a medicinal cure for the Black Death during the fourteenth century. The oddest prescription we found while researching this topic came from ancient Egypt: A combination of wine and ground up donkey testicles was fermented and used to treat epilepsy.

In addition to alcohol's anesthetic properties, early physicians and folk healers recognized its ability to act as a disinfectant. Remember old Western movies in which whiskey is guzzled by the cowboy before the country doctor removes the bullet from his leg—and then also poured on the open wound to sterilize it? The doctors of olden times couldn't see and didn't know about things like germs, single-cell yeasts and antioxidants, but they did see cause-and-effect relationships. Centuries ago, people who drank alcohol (not to excess, of course) were healthier and hardier than those who did not because of its nutritional value. They lived longer and reproduced more. Armies were “inoculated” against disease on their foreign campaigns by mixing wine with the local water supply to kill bacteria.

Early beer makers realized that, unless their brew fermented for a certain time and reached an alcohol level of at least 5 percent, it would contain detrimental microorganisms that produced “off” flavors and odors and might even be dangerous to drink.

The curative compounds found in alcoholic beverages were not isolated and purified for use on their own until the 1800s. Today, remnants of folk medicine still abound, from rubbing whiskey on a teething baby's gums to ease pain, to sipping a glass of wine to aid digestion. You will learn more about alcohol, health, and nutrition in Chapter 2.

## THE TAVERN: PLEASURES AND POLITICS

Pouring for profit developed hand in hand with civilization. The clay tablets of Old Babylon's King Hammurabi refer to alehouses and high-priced, watered-down beer. A papyrus document from ancient Egypt warns, "Do not get drunk in the taverns . . . for fear that people repeat words which may have gone out of your mouth without you being aware of having uttered them." Greek and Roman cities had taverns that served food as well as drink; excavations in Pompeii (a Roman city of 20,000) have uncovered the remains of 118 bars. In both Greece and Rome, some taverns offered lodging for the night, or gambling and other amusements.

After the fall of the Roman Empire, life in most of Europe became much more primitive. When next the taverns reappeared, they were alehouses along the trade routes, which provided a stable for the horses, a place to sleep, and sometimes a meal. In England the public house, or *pub*, developed during Saxon times as a place where people gathered for fellowship and pleasure. An evergreen bush on a pole outside meant ale was served. A sign with a picture of, for example, a Black Horse, White Swan, or Red Lion identified each pub. These early "logos" were used because most people could not read.

As time went on, the tavern became a permanent institution throughout Europe in its many incarnations: inns, pubs, cabarets, dance halls, and "meetinghouses." Neighbors gathered at these establishments to exchange the latest news and gossip over a mug or a tankard. In cities, men of similar interests met for a round of drinks and good talk. In London's Mermaid Tavern, William Shakespeare, dramatist and poet Ben Jonson, and other famous literary figures met regularly. Lawyers had their favorite taverns; students had theirs. Members of Parliament formed political clubs, each meeting in its favorite tavern for lively discussion of strategy. Whatever its form, the tavern was a place to enjoy life, to socialize, to exchange ideas, and to be stimulated. The beverages intensified the pleasure, loosened the tongue, sparked the wit, or, as Socrates said, "moistened the soul."

When Europeans emigrated to America, they brought the tavern with them. It was considered essential to a town's welfare to have a place that provided drink, lodging and food. In Massachusetts in the 1650s, any town without a tavern was fined! Often the tavern was built near the church so that parishioners could warm up quickly after Sunday services held in unheated meetinghouses; a new town sometimes built its tavern before its church. As towns grew into cities and roads were built connecting them, taverns followed the roads. In parts of Pennsylvania today, it is possible to find towns named for such early taverns as Blue Bell, Red Lion, and King of Prussia. In some towns the old tavern is still standing.

It was also in the taverns that the spirit of revolution was born, fed, and translated into action. These were the rendezvous spots for rebels, where groups like the

Sons of Liberty were formed and held their meetings. The Boston Tea Party was planned in Hancock Tavern, while in the Green Dragon, Paul Revere and 30 companions formed a committee to watch the troop movement of British soldiers. In Williamsburg, the Raleigh Tavern was the meeting place of the Virginia patriots, including Patrick Henry and Thomas Jefferson. In New York's Queen's Head Tavern, a New York Tea Party was planned, and many patriot meetings were held there during the Revolutionary War. After the war Samuel Fraunces, its owner, renamed the tavern Fraunces Tavern (to eliminate any reference to the Queen). It was here that General George Washington said goodbye to his fellow officers in 1783. When Washington became president, Fraunces became his chief steward. Today, Fraunces Tavern is a New York City landmark.

When Americans pushed westward, taverns sprang up along the routes west. As towns appeared, the tavern was often the first building; homes and merchants' shops grew up around it. By the mid-1800s, the "modern" American tavern was becoming a large-scale inn for the travelers and businesspeople of a nation on the move. At the same time, drinking places without lodging also were appearing. These kept the name *tavern*, while more elaborate inns adopted the term *hotel*. But the hotel kept its barroom—it was often a showplace, with a handsome mahogany bar and a well-dressed bartender, who might even sport gold and diamonds as part of his uniform. Some hotel bars became famous, including the Menger in San Antonio where Teddy Roosevelt recruited Rough Riders, and Planter's Hotel in St. Louis, where a bartender created the venerable tropical drink known as Planter's Punch in 1841.

By the turn of the century, the successors to the early taverns had taken many forms. There were glittering hotels to serve the wealthy in cities and resorts. There were fashionable cabarets, such as Maxim's in Paris, where rich and famous men consorted with rich and famous courtesans, and music halls, such as the Folies Bergères. There were private clubs, cafes ranging from elegant to seedy, big-city saloons that provided free lunches with their drinks, and corner saloons of working-class districts, where many a man toasted his victories and/or drowned his sorrows in drink (see Figure 1.3). The restaurant industry also made its appearance in the nineteenth century, serving wines and other beverages to enhance the diner's pleasure.

## PROHIBITION AND ITS EFFECTS

Meanwhile, a growing number of people in the United States sought to curb the use of alcoholic beverages. At first this movement went by the name *Temperance* and its target was "ardent spirits" (distilled spirits), but proponents soon included beer and wine and expanded their goal from temperance, or moderation, to total prohibition. In a century-long barrage of propaganda and moral fervor, the movement succeeded in convincing many Americans that drink of any kind led inevitably to sin and damnation. If you outlaw "demon rum," they believed, sin would disappear and utopia would naturally emerge. Along with this belief went the notion that those engaged in making or selling alcoholic beverages were on the devil's side of this battle between good and evil or, as it was also dubbed, *dry* and *wet*.



**FIGURE 1.3** The typical bar setup today doesn't look much different than it did in the 1880s, when this photo was taken in Pocatello, Idaho. Courtesy of the Idaho State Historical Society, Boise, Idaho.

The fervor was fed by the proliferation of saloons opened by competing breweries to push their products, many of them financed by money from abroad. By the late 1800s there was a swinging-door saloon (also called a *joint*) on almost every corner in small towns and big cities. These establishments often became unsavory places, largely because there were far too many of them to survive on sales of beer and whiskey alone. Many purveyors added prostitution, gambling, and other illegal goings-on. In 1851, Maine became the first state to pass its own prohibition law. By 1880 Kansas was the first state to pass a constitutional amendment that outlawed both the manufacture and sale of alcohol, although the new law was selectively enforced or often simply ignored.

In Kansas, Carry A. Nation was a woman who decided “enough was enough.” A combination of a frustrating marriage to an alcoholic and disgust at the lack of enforcement of the law led Nation to take her own kind of action. Calling herself a “Home Defender,” she waged a two-year, vigilante-style campaign, rallying women to show up at bars swinging bats and hatchets—and singing hymns—as they literally destroyed the places! Her crusade made her the darling of national Prohibition advocates. By 1901, Nation addressed the Kansas Legislature on behalf of families. She also went on the lecture circuit, billing herself as “The Famous and Original Bar Room Smasher,” although she was neither the first nor the last activist to employ violence for the cause (see Figure 1.4).



**FIGURE 14** Anti-alcohol activist Carry Nation took her “show on the road” in the early 1900s, destroying Kansas barrooms with hatchets and baseball bats as “The Barroom Smasher.” Photo courtesy of the Kansas State Historical Society, Topeka, Kansas.

While the Prohibition movement gave some women (who could not yet vote) their first taste of political activism, it was also an expression of religious and ethnic antagonisms. It pitted fundamentalist middle-Americans against the new German and Irish Catholic immigrants. The brewers were German and the bartenders were Irish, and both brought with them cultures that included alcohol intake as a fact of everyday life. The movement also pitted small-town and rural America against what was perceived as big-city licentiousness.

During World War I, the “dry side” won its battle. The *Eighteenth Amendment*, passed during the wartime fever of patriotism and self-denial, prohibited the “manufacture, sale, transportation, and importation of intoxicating liquors” in the United States and its territories. Ratified by all but two states, Connecticut and Rhode Island, it went into effect in 1920.

Despite the zeal of its proponents, Prohibition had a short and unhappy life of not quite 14 years. As Kansans had discovered decades earlier, there was simply no way to enforce it. While legal establishments were closing their doors, illegal “speakeasies” began opening theirs to those who could whisper the right password. Legal breweries and distilleries closed down, but illegal stills made liquor by the light of the moon in secret hideouts, hence the nickname *moonshine*. Illegal spirits also were smuggled into the country from Canada and Mexico and from “Rum Rows” offshore; these were bootleg supply ships that sold to small, fast boats whose entrepreneurial captains made the run to shore. Some folks just decided to make their own beer, wine, and gin at home.

Prohibition affected the wine industry as dramatically as it did other alcoholic beverage producers. Many winery owners simply plowed their fields under and planted different crops. A few received special licenses to make sacramental wines, or permits to make wines strictly for home use, only up to 200 gallons per year.

Ironically, rather than decreasing drinking, Prohibition seemed almost to invite it. Flouting the law became, to some, the fashionable (or, at least, enterprising) thing to do. After nine years of Prohibition, New York City had 32,000 speakeasies, about twice as many as the number of pre-Prohibition saloons! To add to the problems of enforcement, organized crime took over the bootlegging business in many cities. Gangsters quickly became rich, powerful, and seemingly immune to the law. The combination of racketeering, gang warfare, and bootlegging became a major national problem. Everyone, even those who first vehemently supported it, agreed that things had gotten out of hand under Prohibition. In 1933 Congress passed the *Twenty-first Amendment*, repealing the Eighteenth.

Before Prohibition shut it down, beverage manufacturing had been the fifth largest industry in the United States. After passage of the Twenty-first Amendment, it made a quick comeback, despite stiff taxes and heavy regulation by federal and state governments.

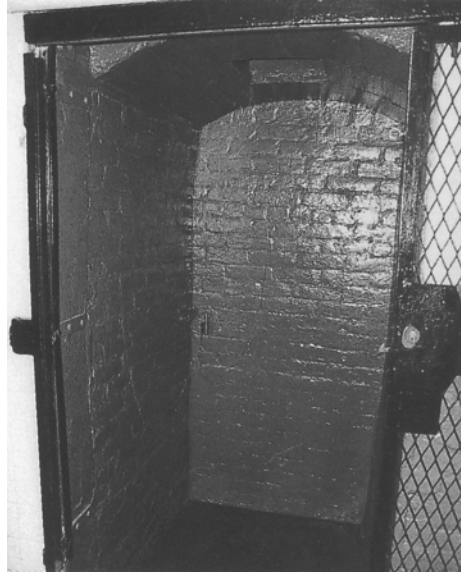
Today, alcoholic beverages are an accepted part of the American scene, and have been for some time; the sale of liquor is legal in every state and the District of Columbia. The serving of liquor in bars and restaurants is a normal part of the culture, and restaurant patrons expect to be able to buy mixed drinks, beer, and wine

## A FORMER SPEAKEASY CELEBRATES ITS COLORFUL PAST

December 2008 marked the 75th “anniversary” of the end of Prohibition, and New York City’s famous ‘21’ Club was among the celebration sites. The ‘21’ Club had been a speakeasy, complete with passwords, secret knocks, and trick doors for its clientele.

Tall, spiked gates guarded the front entrance, and there was a peephole in the door. In a cramped cellar below the main kitchen, a number of 18-inch meat skewers hang on a hook. Insert one of the skewers into the “correct” hole in the wall, even today, and it unlocks a heavy door that protects a million dollar inventory of fine wine, the former site of the illegal bar. Its backbar shelves were rigged to dump their liquor contents into the city sewer system at a moment’s notice!

Similar “secret taverns” existed in just about every block of the downtown area. ‘21’ Club legend has it that once, when federal agents showed up for a raid, New York City’s good-timing mayor, James J. Walker, was among the guests. He called the police—and had the agents’ cars towed away. (Information adapted from the *New York Times*.)



**FIGURE 1.5** The trick door of New York’s ‘21’ Club, opened by pushing a metal bar into a tiny hole. Today the door still works and the area behind it is used as a wine cellar. Courtesy of the ‘21’ Club.

with their food. In fact restaurants that don’t serve liquor often have a hard time competing. But the Wet versus Dry controversy never really ended. Control of the issue was given to states, counties, towns, and precincts, resulting in a mishmash of local liquor laws that has made America into a Wet-Dry checkerboard. Even today this pattern mirrors our society’s longstanding mixed feelings about alcohol use.

Historically, alcohol has always had its dark side as well as its benefits, from the drunkenness in the taverns of ancient Egypt, to the cheap gin consumed by the poor in eighteenth-century England, to the corner saloons of small-town America 100 years ago. Today, the problems are just as critical, with drunk-driving accidents taking thousands of lives each year and some 10 percent of drinkers becoming alcohol-addicted. What is it about alcohol that can “moisten the soul,” yet cause so much harm? We will discuss this issue at length in Chapter 2.

## TODAY'S BEVERAGE-SERVICE INDUSTRY

While alcohol consumption has remained steady and relatively unaffected by the nation's 2008 economic downturn, since the 1990s, alcohol consumption in the United States has gradually declined. Expert observers relate the drop to lifestyle changes for many busy Americans, many of whom now focus on fitness and preventive health care. They've stopped smoking; they exercise; they watch their weight; they count calories, carbohydrates, and cholesterol; and they keep their heads clear during working hours. The "three-Martini lunch" is now a relic, replaced by bottled and enhanced waters (organic to vitamin-infused), energy drinks, flavored iced teas, and, on rare occasions, perhaps a single glass of wine. These moderate drinkers limit their consumption to one or two drinks a day. At the same time, they are very much interested in the quality of whatever drink they choose. When they do imbibe they tend to choose premium or super-premium liquors, wines, and beers. "Drinking less but drinking better" has become the norm.

### What People Are Drinking

*Beverage Digest* magazine tracks U.S. beverage-consumption figures and graciously shared them with us for this chapter. Perhaps the statistic that says the most about American lifestyle changes at the turn of the most recent century is the per capita consumption figure for bottled water: In 2003, it had risen to 16.6 gallons per person, per year, up from 8.7 gallons just ten years earlier. By 2007, the average person in the U.S. drank more than 29 gallons of bottled water, making it the most popular beverage next to carbonated soft drinks. In contrast Americans drank the highest amount of distilled spirits—two gallons per person per year—back in the 1970s. Since 1993, however, consumption figures have hovered between 1.2 and 1.3 gallons per person per year.

When the fitness and/or organic enthusiast does drink, he or she wants a "light" drink, one that is perceived to contain less alcohol and fewer calories and carbohydrates. (Some of these drinks do and some don't, as we will see). But consumer interest has seen a shift in the growing area of fancy, customized cocktails and high-end spirit products, according to the Distilled Spirits Council of the U.S. and overall, sales of spirits have continued to grow since 2003, with sales in 2007 up 5.6 percent.

*White goods* (vodka, gin, tequila, and rum) generally do better than *brown goods* (Bourbon, Scotch, and other whiskies) even though they all have similar alcohol contents. Vodka has seen a market explosion, as high-end products made of everything from buffalo grass to Idaho potatoes and infused with exotic ingredients such as ginger spill out over the crowd of top-shelf choices. According to the Distilled Spirits Council, vodka dominates the spirits industry, accounting for 28 percent of all volume. Just over 51 million 9-liter cases were sold in the U.S. in 2007, generating more than \$4 billion in revenue for distillers. As a reflection of American's desire to "drink better," super-premium brands have been driving growth.

Wine enjoyed its largest upsurge in popularity in the 1980s, reaching a high of 2.4 gallons per person per year. It has remained popular through the economic downturn

and boasts a loyal following, with steady but slight growth in consumption. In 2007, per capita wine consumption hit a new record of 2.97 gallons according to the Wine Market Council. Despite jam-packed supermarket wine-section shelves, Internet websites and all kinds of exotic choices, the three bestsellers continue to be Chardonnay, Cabernet Sauvignon, and White Zinfandel, although Pinot Noir, Pinot Grigio and Malbec continue to climb in popularity. There is also a home-making wine element: You can order the equipment online or, in many larger cities, there are wine shops where you can blend your own “vintage,” bottling and labeling your own brand to share with friends.

Beer sales look very impressive when compared to wine and spirits. Americans consume a little more than 21 gallons of beer per person per year. However, this is a slump compared to the 24-gallon-per-person figures of the 1980s, and it represents less than half the amount of soft drinks we consume annually.

To slow sales erosion and attract health-conscious consumers, beer companies busily introduced some major product extensions in the 1990s: light beers (lower in alcohol and calories than their “regular” counterparts), dry beers (crisply flavored, and touting “no aftertaste”), and nonalcoholic beers. Light beers now account for 47 percent of all beer sales in the United States. Imported beers and beers from small, regional breweries, or *microbreweries*, have gained substantial followings, and there’s a small home-brewing hobbyist market. You can easily find and order beer-making equipment and instructions on the Internet; in larger cities, you’ll find at least one beer-making store where home brewers can buy equipment and supplies and get advice. For a fee, some allow you to brew on-site, let the beer age in their storage tanks, and then come back and bottle your own creation yourself.

In recognition of customers who drink less, almost all restaurants offer wines by the glass, not just by the bottle. (In Chapter 7, you’ll learn more about creating a workable wine list.) They also do more to publicize their nonalcoholic offerings: mineral waters, soft drinks, flavored teas, juice drinks, and even no-alcohol beers and *mocktails*. The latter, alcohol-free versions of the Bloody Mary, Piña Colada, and other drinks, are mixed and served with the same care and flair as the bar specialties.

This does not mean that Martinis or gin and tonics are obsolete, or that fewer people are patronizing bars or ordering drinks with their meals. There has been renewed interest in the traditional cocktails (Martini, Bloody Mary, Screwdriver) and *tall drinks* (Scotch and soda or bourbon and soda, gin and tonic or vodka and tonic). There is also strong interest in *call brands*, the slang term for premium brands that are requested, or “called for,” by name. Super-premium imports, such as single-malt Scotches, Irish whiskeys, Cognac and Armagnac brandies, also have loyal followings. They are popular with customers who have developed a taste for, and interest in, “buying the best” and are willing to pay more for it. They are also interested in experimenting with new brands and learning more about beverages. In contrast, most brown-goods customers are in the upper age groups and are comfortable with their reliable favorites, such as Scotch and soda or Bourbon and water.

By the time you read this, however, it all might have changed! New drinks will be invented, and new twists will be added to old favorites. Managing a bar means keeping your finger on the pulse of the market and making the changes necessary to stay ahead.

Next, we'll describe a few different types of beverage service, as well as the challenges associated with each. Though it is impossible to divide bars into just a few categories—there are almost as many variations as there are bars—certain kinds have distinct characteristics and styles of service, and it will be helpful to see how they differ and what they have in common.

## **The Beverage-Only Bar**

The simplest kind of beverage enterprise is the bar that serves beverages alone, with no foodservice except snacks: peanuts, pretzels, cheese and crackers. This type of bar serves beer, wine, or mixed drinks, or any combination of the three, plus non-alcoholic beverages. It might be a neighborhood gathering place, a convenient stop for commuters on their homeward treks, or a bar at an airport or bus terminal or bowling alley.

Business at such bars typically has a predictable flow: a daily pattern of peaks and valleys, a weekly pattern of slow days and heavy days, with the heavy days related to paydays and days off. There might also be seasonal patterns. In airports and bus terminals, business is geared to daily, weekly, and seasonal travel patterns, and according to the time of day; light beverages are served during morning and afternoon, and heartier drinks are served as the working day ends. Because only one type of product is sold and business is generally predictable, the operation of a beverage-only bar is relatively simple, from production to staffing and purchasing to keeping track of the beverages, money, and profits.

This type of bar also usually has a specific reason for success, perhaps its location, its reputation as a friendly place (or for pouring well-made drinks), or simply its lack of competition; or perhaps it has just “always been the place where everybody goes.” Often, such bars thrive by being the same as they always were. Customers become sentimental about them and would not tolerate change. That said, as the mood of the country changes, many neighborhood bars are adding food to their offerings. Hotel chains, such as Marriott, Radisson, and Hyatt, have phased out their cocktail-only lounges in favor of food and beverage combinations. The decision is practical: Some states do not allow beverage sales without food sales; other bar owners have decided that it is simply more responsible to offer people food if they will be drinking.

In busy airports, corporate concession companies typically operate the bars. Since 1999, the Italian catering and retail giant Autogrill has gobbled up at least two major U.S. airport-bar purveyors, HMS Host (formerly Host Marriott Services Group) and Anton Airfood. Autogrill runs airport bars and restaurants in 37 countries; its website notes that its North American locations are “the testing ground for avant-garde solutions and services.” The trend has been to upgrade these facilities to pour more premium beverages, serve better food, and offer entertainment for travelers awaiting their flights. At some major airports, you'll find wine bars with menus of upscale, appetizer-sized foods to accompany the beverages.

In short, beverage-only bars are definitely in the minority today. Although some are highly profitable, most bars find that serving liquor alone is not enough to

attract and keep customers. So the majority offer something else: entertainment or food, or both.

## **Bar/Entertainment Combinations**

---

Bars offering entertainment range from the neighborhood bar with pool, pinball, dartboards, or giant televisions to nightclubs with big-name entertainers to comedy clubs to ballrooms with big bands. In-between are cocktail lounges and nightclubs with live-entertainment piano bars, country-and-western dancing, jazz or folk duos, rousing rock-and-roll groups, and even live performance-poetry and art exhibitions. This concept must include the decision to make room for a stage area, sound system, and dance floor. Having entertainment also means hiring someone knowledgeable to book the bands or entertainers whom people will want to see (negotiating contracts at a fair but affordable price) and always thinking ahead to the next fad or hottest music trend to attract a fickle public. A concept that includes regular entertainment of any kind also includes the fixed costs and additional financial risk of hiring and paying the entertainers.

In most cases the entertainment may draw the crowd, but it is the drinks that provide the profits. If there is a *cover charge*, which is an admission fee per person paid at the door, at least part of it is likely to go to the entertainers. The fortunes of this type of bar will rise and fall with the popularity of its entertainers, unless the place has something else going for it.

Probably the most stable type of bar/entertainment combo is the smaller place with an attractive ambience, good drinks, and local entertainment to draw a loyal, local crowd. The success potential of this kind of establishment is much the same as the bar-only enterprise. Larger operations featuring out-of-town entertainers have a higher but riskier profit potential. It is likely to be either feast or famine. The bar gears up for each crowd with temporary extra help, a large investment in liquor inventory, and possibly extra security personnel. Weather, holidays, location, and weeknight versus weekend crowds all heavily impact this type of business.

Casinos are another enduring combination of entertainment and beverage service. Today's casinos might be run by a huge corporation or a Native American tribal council, and might include everything from big-name stage productions and professional boxing matches, to restaurants and nongambling arcades that attract families instead of adults only.

*Sports bars* offer a different type of entertainment. In the mid-twentieth century, the term *sports bar* was a nickname for popular watering holes frequented by sports figures and sports writers, who bought each other drinks and traded stories and colorful quotes. Today, however, you are more likely to have your conversation yelling at a big-screen television than at a sports columnist. Modern-day sports bars are designed for group viewing of popular sporting events. Equipped with large television screens (or plenty of strategically placed smaller ones), the sports bar often sets a fixed price or cover charge to guarantee a good profit because customer turnover is so small (see Figure 1.6). Large sports bars serve a menu of full-course meals, and many take reservations in advance of popular events—boxing matches, baseball's World Series, a Triple Crown horse race—that will draw a crowd.



**FIGURE 1.6** Some sports bars offer full-service dining. The focus is on cheering on your favorite teams, but the interest in interesting food choices and fun drinks is growing. Disney Regional Entertainment.

## **Food and Beverage Combinations**

The most common form of beverage operation is one that is linked with some kind of foodservice. One type is the restaurant/bar, where drinks and wine are part of the meal service, served by the same wait staff that serves the meal. The bar is often used as the waiting area for the restaurant during busy times. Drinks may be poured at a service bar out of public view or at a pickup station in a bar that serves customers while they are waiting for a table. The major portion of the sales comes from the foodservice. However, the beverage sales often turn the profit for the enterprise. The only added costs are for the wine, beer, and liquor, the bartender, and a minimum investment in equipment; the other necessities, service personnel and the facility itself, are built into the restaurant operation.

Another type of food-beverage combination is the bar that offers light food in addition to drinks. In this case the beverages and the bar atmosphere dominate, and the major sales volume comes from the bar. But the food is a nice sideline that attracts customers and prolongs their stay. Typical menu items are appetizers. Traditional fare often includes: nachos, chips or crudités and dips, spiced chicken wings, and stuffed potato skins. However, with interest revving up for organic, exotic and ever-more titillating taste sensations, more food-beverage combo bars are offering rolled-on-the-spot sushi, domestic and imported cheeses, stone-baked pizzas and skewers of grilled chicken, shrimp and lamb. In order to woo more customers, many food and beverage bars are also adding Happy Hour specials on both food and beverage choices. In the past, during the 1980s especially, Happy Hours would include buffets of free food. Today's Happy Hours usually feature discounted prices on food and beverages.

A special variation of the food-beverage combination is the *wine bar*, which first appeared during the 1970s as Americans discovered and learned to appreciate wines. Here, the customer can choose from a selection of wines by the glass or by the bottle, beginning with inexpensive house wines and going up in quality and price as far as the entrepreneur cares to go. Some wine bars offer inexpensive one-ounce *tastes* (or groups of these one-ounce samples, known as *wine flights*) to enable guests to sample a number of wines. A full menu, or fruit and cheese platters and upscale hors d'oeuvres, can be served.

There are inherent problems in running wine bars. The first is, of course, that serving only wine tends to limit the clientele to wine lovers. Some urban areas have enough wine enthusiasts to support a profitable enterprise; they respond to quality and expertise, and they attend and appreciate special wine tastings, classes, and wine-centered celebrations. This enthusiasm, however, raises a second difficulty: Purchasing appropriate wines requires an expertise few people have and may require a financial investment few are willing to make. As a result, many wine bars serve liquor and beer as well. This broadens their appeal and allows them to realize the necessary profit margin. In effect, they are simply bars that specialize in wine sales and wine knowledge.

Other wine bars may broaden their offerings by serving meals, thereby becoming restaurants with an emphasis on wines. Some also sell wines at retail, offering customers discounts for volume (one case or more) purchases. This combination of on-premise service and take-home sales is not an option everywhere. Beverage laws in many areas do not allow it. Many wine bars have implemented another marketing feature: The wine tasting, perhaps including a discussion with the featured vintner, can pull in customers who might not otherwise come in the door.

Beer aficionados also have their own version of the wine bar. At a *brewpub*, beer is brewed and served right on the premises. The result: fresh, natural beers and ales, strong in flavor and aroma, with special seasonal offerings. Developed by small individual entrepreneurs and hobbyists, the beverage sets the theme of the restaurant. At least one shiny brew kettle is likely to be a major part of the décor, and the menu typically contains hearty, casual cuisine chosen to complement the beer. As popular as brewpubs are in many areas of the United States, they are not legal everywhere; some states still do not allow the manufacture and sale of alcoholic beverages on the same premises.

A popular type of food-beverage combination links a bar and a restaurant on an equal, semi-independent basis, with a common roof, theme, management team, and services that complement each other. The bar and restaurant areas are housed in separate portions of the building, and they may be open at slightly different hours to serve both the drop-in bar customer and the mealtime patron. The food/drink sales ratio is likely to reflect equal status for food and drink, with bar and restaurant each doing better than one would without the other. In many cases neither side could make a go of it alone, but together the customer attraction and income are doubled, while the overhead costs are split between them.

Yet another new trend in beverage-and-food combination is the distillery and restaurant. The on-site distillery is usually housed behind floor-to-ceiling “windows,” allowing eating and drinking customers a glimpse of what it takes to make the spirits they are enjoying.

## **Bars and Smoking**

The *cigar bar* has been a trendy addition to the beverage scene—and profitable. Customers who enjoy high-priced cigars also have the opportunity to order premium spirits, wines, beers, and after-dinner drinks to accompany them. The cigar boom is not legal in all venues, since smoking is prohibited in many public places by local and/or state ordinance. Places that install heavy-duty ventilation systems and humidors, however—and offer extensive cigar selections, as well as single-malt Scotches, small-batch Bourbons, Cognacs, and ports—are filling an interesting, upscale niche. As of Spring 2009, there is even a cigar bar at one major league baseball stadium, the Cuesta-Rey Cigar Bar at Tropicana Field, home of the Tampa Blue Rays. Sometimes, in states or cities where smoking is illegal in foodservice establishments or public buildings, these businesses must be operated as private clubs that charge membership fees and restrict access to minors. However, likely because of the increased pressure from safety and health advocates, the cigar bar is on the wane.

However, another trend—the *hookah bar*—is definitely waxing. At the end of 2008, there were 470 hookah bars listed on the website Hookah-Bars.com in the United States, and an average of five open every month. Most hookah bar enthusiasts are in the under-30 crowd and have welcomed the trendy water pipe smoking as the new, hip thing to do. However, with most states banning cigarette smoking in degrees small and large in public places, cigar and hookah bars may not be longlasting establishments.

This brings up a controversial issue in the bar industry today. In many cities and states, allowing bar customers to smoke indoors is no longer the prerogative of the business owner. At this writing, 25 states, Washington, DC, and Puerto Rico have passed smoke-free (Clean Indoor Air or “CIA”) laws that include restaurants and bars; four others (Florida, Idaho, Louisiana, and Nevada) exempt “standalone” bars. Even in the southeastern United States, where most states have not passed smoking prohibitions, hundreds of cities and counties have passed their own local ordinances.

Generally, although the individual laws are quite specific and worded very technically, a business is considered a bar if it earns most of its profit from alcohol sales and refuses entry to minors; it is considered a restaurant if it earns most of its profit from food sales and serves customers of all ages.

Most Canadian provinces and territories also are smoke-free by law, as are almost 20 nations, from Bermuda to France, and Panama to Norway.

CIA laws are not being passed to harass smokers or put restaurateurs out of business, but to minimize workers' (and the general public's) exposure to secondhand smoke. Even the tobacco companies have agreed that cigarette smoke contains a variety of harmful chemicals, including carcinogens. In past years, these companies suggested installing larger, more powerful ventilation systems to whisk the smoke away. However, multiple scientific studies have shown that, while ventilation dilutes the smoke and helps with odor control, it does not rid the air of the chemicals. Further, state-of-the-art ventilation is expensive, and many small businesses (or those who rent instead of own the property) simply cannot afford it. It is easier to ask smokers to light up outdoors, or not at all. The dilemma for businesses that are hospitality-oriented is how to make smokers feel welcome without allowing them to smoke. We'll discuss the options in greater detail in Chapter 3.

One interesting side note: Smoking in general is on a downward trend. According to the federal Centers for Disease Control and Prevention, about 20 percent of Americans smoked in 2007, down from 23 percent in 1998. Experts speculate this may be for health reasons, but also because of increased prices and ever-increasing taxes applied to cigarettes. For instance, on April 1, 2009, the federal excise tax on every pack of cigarettes jumped from \$.39 to \$1.01.

After decades of "smoky bars," there are those who will always associate smoking with drinking. The modern-day challenge for restaurant and bar owners is to get customers to stay and drink without the extra enticement of allowing smoking in the establishment.

## **Hotel Beverage Operations**

In hotels, the beverage operation differs in many ways from the bar or the bar-restaurant combination. There might be three or four bars under one roof, each with a different purpose and a different ambience, say a lobby bar, a cocktail lounge, a restaurant bar, or a nightclub with dancing. In addition, there is room service, with a food menu that includes mixed drinks, beer, wine, and Champagne. Above all, there is banquet service, catering to conference, convention, and reception needs. Typically, the client makes beverage choices in advance of the event, which are served from portable bars by extra personnel hired for the occasion.

Individual rooms often have a *minibar*, a small refrigerator or cabinet stocked with a modest inventory of snacks and drinks, ostensibly for the convenience of hotel guests. Most business travelers find the unabashed price gouging irritating. Who would willingly pay \$7 for a bottle of water or \$5 for a tiny bag of pretzels, fully triple what the same items would cost elsewhere on hotel property? Industry experts now suggest that nothing in the minibar be priced higher than a comparable item sold in

the hotel's vending machines. According to *Lodging* magazine, there are three keys to minibar profitability:

1. The unit must be installed so that it is easy to use and its contents must be clearly visible.
2. A reliable system must be in place for prompt restocking of cabinets and correct billing of guests. (The advent of "smart" technology has been helpful in this area.)
3. Finally, guests must be enticed to somehow overlook the high prices of minibar goods!

In response to the last point, some hotels package other types of items to sell, such as logo-embazoned nightshirts, "intimacy kits," and grooming items, in addition to snack foods and mixed-drink ingredients. Even so, the minibar is not a major money-maker for most hotels, and it does siphon some business away from the hotel's other food and beverage venues, especially room service.

On average, half of all hotel guests access their room's minibar during a stay. The item most likely to be purchased is not alcohol but bottled water. A consumer preference survey conducted by TripAdvisors.com indicated that one-third never touch the minibar, and 94 percent said they'd use it more often "if the prices were more reasonable."

Food and beverage directors of large and/or luxury hotels insist the minibar is a necessary amenity for its sheer customer convenience, even as they acknowledge the increased labor costs of restocking and maintenance. Others are abandoning their minibars, however, citing results of guest surveys as well as upkeep costs, primarily the labor involved in the checking and restocking them. Instead, they may provide small refrigerators so guests can keep their own snacks and beverages chilled.

Perhaps the most daunting challenge of hotel beverage service is its diversity, coupled with the up-and-down nature of demand. Since a hotel's primary clientele is overnight guests, demand for beverages rises and falls according to the occupancy rate. This, too, is unpredictable: A hotel can be completely full for a convention and yet have very little bar trade, depending on the type of convention it is hosting. On the other hand, a very low occupancy rate might net a lot of bar business. Again, it just depends on who the hotel guests are.

Resort and luxury hotels often have several bars and restaurants, with a variety of entertainment, food, and drink, to keep the hotel guests spending money on the premises, as well as to attract an outside clientele, while a small commercial hotel in a big city might need only one bar with several stations to serve its lobby customers, a cocktail lounge, coffee shop, dining room, and room service.

## **Airline Beverage Service**

Another type of beverage service that must adapt to special conditions is that on airline flights. The restrictions of space, time, weight, and equipment are formidable. (Cruise lines and passenger trains have similar storage limitations.) Of necessity,

airlines' drink menus are limited. Liquors, beers, wines, and a few types of cocktail mixes are handed out in small, individual bottles or cans. The cups are nesting, plastic disposables, except in first- and business-class cabins. Flight attendants push a beverage cart down the aisle and, working from both ends, can garnish glasses and fill them with ice, pour beverages or hand out the individual-sized drink components, and collect the money. The process is a marvel of organization. Tight control systems follow the little bottles everywhere, since they are extraordinarily tempting, both to airline employees and customers.

In recent years, wider enthusiasm for food and wine has prompted airline companies to seek advice from high-profile wine consultants to upgrade their beverage service. In some cases, the in-flight menus reflect the local tastes and preferences of the destination city or country. For higher-paying passengers, drinks are free and service typically includes real glassware, a choice of wines, Champagne for breakfast, and sometimes specialty drinks.

## **Similarities and Differences**

---

Grouping types of beverage service into these rather arbitrary categories does not really adequately describe the character of individual enterprises. Many establishments do not fit handily into a specific category, and those within categories can be as different as day and night. Yet all categories have certain similarities. They all sell alcoholic beverages. They have similar staff structures, patterns of purchasing and inventory, and ways of controlling the merchandise. They all must meet certain government requirements and operate within certain government regulations. Even the prices charged for the same drinks are not wildly different from one type of place to another. Still, no two bar and beverage operations are alike unless they are part of a chain and are required to have uniform menus, décor, pricing, and other policies.

A successful business meets the needs and desires of a certain clientele and strives to be deliberately different from others serving a similar clientele in order to stand out in the competition for customers. Other major reasons for the wide variety of bar operations are simple: the special circumstances of each operation, as well as the personalities, desires, and budgets of their owners. To be successful, however, the entrepreneur must put clientele above all else in shaping his or her enterprise.

---

## **SUMMING UP**



Throughout history, alcoholic beverages have played an important role in most cultures. People drank for many good reasons: for food and health, worship and celebration, pleasure and fellowship, wisdom and truth. As civilization developed, the inns, alehouses, and taverns were central to the growth of towns, travel, and the communication of ideas.

There have always been people who question the propriety of alcohol use and, in past centuries, they had plenty to complain about. Drunkenness and irresponsibility, illegal activity, and violent crime seemed to go hand in hand with alcohol abuse, and with a perception of decaying moral values that defied traditional religious beliefs. The pendulum of public opinion swung from acceptance, to fear and disgust, as women led the anti-drinking charge in many areas after seeing families destroyed by a father's alcoholism. First, the Temperance movement sought to shame people into giving up alcohol. Then came Prohibition, the passage of the Eighteenth Amendment to the U.S. Constitution, which outlawed the manufacture and sale of alcohol except in certain, extremely limited circumstances.

Prohibition lasted about 14 years (from 1920 to 1933) and, ironically, created problems even more difficult to solve: a complex, illegal network of bootleg home distillers, secret bars known as speakeasies, and organized crime's entrance into the lucrative business of selling what people could not buy legally. Today's liquor laws still mirror some of the restrictions first created during Prohibition.

While alcohol use remains controversial, an attitude of moderation and responsibility has enabled the beverage industry to grow and flourish once again in the United States. Today's consumer is likely to drink less but is interested in higher-quality products, even if they cost more. Establishments that specialize in wine sales, brewing and selling beer, full-bar service, and a variety of food-and-drink combinations often include some sort of entertainment. You can buy a drink on an airplane, in a hotel room, or in your favorite neighborhood restaurant—and no one threatens you with a hatchet or a baseball bat!



## POINTS TO PONDER

1. What were the most important uses of alcohol in ancient civilizations? How has this changed?
2. Why did some cultures associate alcohol use with wisdom?
3. What was the food value of alcohol in early cultures? Why did people drink alcohol when they had other beverage choices?
4. What is distillation?
5. How has alcohol been used as currency in past centuries? Give two examples.
6. Name one positive and one negative aspect of Prohibition. (Your own opinion can, and should, color your answer.)
7. What are the reasons most Americans are drinking less alcohol?
8. Why is a beverage-only bar not often seen anymore?
9. What would you have to find out before selling wines by the case in a wine bar or opening your own brewpub?
10. What are some of the challenges specific to hotel beverage service?
11. What are some of the new beverage industry trends?
12. Which spirit has seen the most growth in recent years?

## TERMS OF THE TRADE

ale  
amphorae  
aqua vitae  
Bacchus  
Bourbon  
brewpub  
brown goods  
call brands  
cigar bar  
cover charge  
distillation  
distilled spirits  
dry and wet  
Eighteenth Amendment  
hookah bar  
lager  
mash bill  
microbrewery  
minibar  
mocktails  
moonshine  
Ninkasi  
pasteurization  
pitching  
Prohibition  
pub  
rectification  
speakeasy  
sports bar  
tall drinks  
tastes  
Temperance  
Twenty-First  
Amendment  
viticulture  
*vitus vinifera*  
white goods  
wine bar  
wine flight



# A CONVERSATION WITH . . . BRET STANLEY



*Bret Stanley got his first bartending job at age 16, in a bar with a dirt floor in Mexico. He also tended bar in Chicago, Los Angeles, and Arizona but says he began thinking of it as a career in 1995 when he moved to Las Vegas, Nevada, and was hired at the Red Square, part of the upscale Mandalay Bay Hotel and Casino. He soon became the bar manager there.*

*Why bartending?*

*"I spent a lot of time working in the food and beverage industry, and would always end up having to fill in for bartenders who didn't show up for their shifts," he recalls. "The history of bartending and alcohol just fascinates me, and the job fits my personality."*

*He has been teaching bartending and beverage management courses for Crescent Schools in Las Vegas since 2003—and uses this book in his classes, by the way.*

*"For a long time in Vegas, there weren't very many good bartenders," says Stanley. "I used to say if you sat at the end of a bar long enough, somebody thought you worked there and put you on the schedule! When I went out, I would get so frustrated with the bad service that, when the opportunity came up for me to teach, I jumped at it. Hopefully, my students will go out there and take*

## Director of Beverage Education

*those jobs away from people who don't deserve them.*

*"The great thing about teaching," he adds, "is that all of what seemed to be useless information that I was collecting in my bar jobs over the years, about the business and the products, isn't just useful in terms of bar trivia bets! Now, it is of benefit to my students."*

### **Q: Is it hard to be a bartender?**

A: No, it's not. But it is hard to be a good bartender, because it takes work—daily practice, always taking that extra initiative to learn as much as you can. It is also a never-ending process. New drinks come out—new concepts, new tools and new ways of tweaking an old drink. You can pour beers and shots all day, or you can move into more challenging mixologist and master mixologist roles.

### **Q: How much opportunity does the typical bartender have to progress like that, especially in a corporate situation where there are already specific drink recipes and procedures in place?**

A: Fortunately, people like Dale DeGroff and Tony Abou-Ganim came to this industry, people who have encouraged their staff to learn more about the products. When Tony ran the beverage operation at the Bellagio (a Las Vegas hotel and casino), continuing education was a big priority, and he wanted his people to come up with new cocktails. If those cocktails were good, they would make a standardized recipe and equip the bars to make it. So, I'd say even 10 years ago, it was almost unheard of. Today, a lot more places are receptive to the idea of mixology and giving their staff the creative license to do that.

### **Q: There are some unique aspects to Las Vegas bartending. Can you describe a few of them?**

A: In Las Vegas, they don't care how many other places you've worked—you're not a Vegas bartender. The market is somewhat unusual because it is very much a union market. Most of the bartenders are part of the Culinary Union.

There are good and bad points to being in a union. One of the downsides, I think, is that the bartender works an eight-hour shift pouring drinks and goes home. So, they can become somewhat lazy: "I don't have to clean up, because I've got a bar porter. I don't have to restock, the barback does that. I don't do inventory, the bar manager does that." One of the biggest shocks for me when I started bartending here was that the cocktail servers were upset because I garnished the drinks. "That's our job," they told me. "We do the garnishing!"

The other interesting thing is, you would assume Las Vegas would be the mecca of the service industry, but it's not. I think that's because it is such a transient town. Most of the customers aren't regulars—they get on a plane and they're gone in a few days. So the thought is, "I'll give you the service that I deem is necessary," as opposed to going above and beyond to please the customer. I think it is partly our fault as customers, too—we're so used to inadequate service that we expect it, and put up with it.

### **Q: What is the one thing most often overlooked by bartenders and servers?**

A: Customer service. A lot of people believe, especially in a tipped industry, that they deserve tips—but that's not right. You get tips if you

give customer service. “Tips” means “to insure proper service,” and that starts with the little things, like smiling and saying “hi.” If you have a nice personality and engage with the customer and seem to genuinely care about them, then little mistakes—the food takes a little longer to get to the table; you accidentally garnish their Manhattan with an onion—will be overlooked.

I tell my students, “The little things are the glue that hold everything else together.” If you don’t pay attention to those little things, you’ve got no glue—and everything falls apart without the glue.

**Q: How has technology changed the basic work procedures behind the bar?**

A: I think the biggest change has been the use of the POS system; it has made our jobs a little easier, by allowing us to keep drink recipes on computer and so on. In terms of other equipment, it seems like something new comes out every day. Some of them are gimmicks; some are absolutely worthless. A few are invaluable—a good hand-juicer that you can use to squeeze a fresh lime quickly and efficiently, for instance.

For the most part, the classic style of equipment and the classic use of equipment will never change. The Boston shaker is still your best piece of equipment. You need a stripper or a zester, a good bar knife, a good bottle opener. A muddler—nobody really likes to muddle drinks, but I suggest they have two muddlers: one with cleats at the tip, that can really get at the citrus; and a nice, smooth one to use when you just have to break up a little bit of mint. Those will last forever.

The biggest key to it all is, no matter what equipment you have, you need to have the training to use it correctly. If you’ve got a hammer in your hand, it doesn’t necessarily mean you’re ready to hit something!

In terms of speed, I can hand-pour multiple drinks faster than I can make them using a preset, liquor-dispensing gun. But from

a management aspect, the preset gun pours accurate amounts and keeps track of every drop in real time, and that’s also important when you have to keep track of every single dime. To be able to pinpoint any loss immediately means you can take that loss off the books immediately, too.

**Q: Loss prevention is huge in this business, isn’t it?**

A: Absolutely, and we talk about it a lot in my classes. Most theft is a crime of opportunity, so the goal is to prevent the opportunity. I actually show my bar management students ways to steal liquor—not so they’ll go out and do it, of course, but so they’ll know what to look for. For example, I can short-pour 10 drinks, I can sell five and pocket all that money and come out even. In a bar, you’ve got a product that is easy to manipulate to make you extra money; plus you’re dealing with a lot of cash and a lot of stuff goes without receipts.

In Las Vegas, bartenders have to have what is called a sheriff’s card, which is basically a bonding card. If you get fired for stealing, you get that card revoked and can’t work as a bartender here, ever again. There are also gaming control cards for casino workers. It’s not worth stealing \$20 to lose not only your job but also your career.

**Q: Are students surprised by the amount of paperwork and drudgery and regulations—the parts of the business that aren’t fun?**

A: They are. When we go through the chapter in your book, “Planning for Profit,” and they see all the math involved, they think their heads are going to explode! We take a full day to go through the potential sales-value method of measuring losses. I put a graph on the board and we break down case price to bottle price to ounce price, punch the ounce prices into the drink recipes, cost the drink, and put the price of that drink into our graph to get the potential sales value for, say, a bottle of vodka for the day.

Why do they need to understand this? I tell them, if you’re going to own your own bar and you let somebody else have control over your money, you’re going to lose your money. So, you have to know what you’re doing—and if you hire others to help, you have to know what *they’re* doing.

**Q: How about safety and sanitation—how important are those priorities to the typical bar?**

A: Safety and sanitation routines are absolutely necessities, and not just behind the bar. When customers notice that your bathroom isn’t clean, they question the cleanliness of your glassware, of your bartender’s hands, of your kitchen. In terms of safety, I believe it should be a standard requirement to go above and beyond what the local health department requires. A clean bar, that looks clean and smells good, is where people want to be and is a better, safer place to work.


**Q: How much money can a bartender expect to make?**

A: It honestly depends on the bar and the shift you work, but it also depends on you. I’ve tended bar on graveyard shifts, from midnight to 8 A.M.—and I would go to the restaurants and other service businesses that close earlier and tell their employees, like waiters and bartenders, “Hey, when you get off work, come to my bar.” This is a 24-hour city, and you’ve got to take advantage of that. If you can set yourself up to cater to the service industry, you can make a killing as a bartender. They tip really well!

**Q: If you’re hired as a barback, how can you make sure you stand out and can eventually get a promotion?**

A: Do your job efficiently and, the big thing is, without complaining. Unfortunately, particularly union bartenders have a tendency to not want





to tip their barbacks, or not tip them very much, so it's easy for a barback to feel they're not being appreciated. But if a barback does their job without fail and without complaint and keeps their opinions to themselves, they're the ones who are going to move up faster.

**Q: What parts of running a bar business just can't be taught in a book or in a classroom?**

A: Common sense and the ability to "read" a customer. Here again, I think bartending is the pinnacle of customer service. You're one-on-one with these people, and you have to be able to "read" what they

want—not what they say, but what they need. When a guy comes in, sits down at your bar and is clearly brooding, do you try to get him to talk—or pour the drink and let him sit there quietly? I can't teach you that, but a good bartender will know. I tell students, 'I can train you—but I can't raise you!'