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British . . . . .  
'Gothenburg' Experiments  
and Public - House Trusts



By the same Authors

## THE TEMPERANCE PROBLEM AND SOCIAL REFORM

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LONDON : HODDER AND STOUGHTON

British . . . .  
'Gothenburg' Experiments  
and Public-House Trusts

By JOSEPH ROWNTREE  
& ARTHUR SHERWELL

Joint Authors of *The Temperance  
Problem and Social Reform* . . .

SECOND  
EDITION

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## CHAPTER I

### Statement of Principles and Conditions of Success

THE past twelve months have witnessed a significant movement, under which extended efforts have been made to withdraw a portion of the public-house trade of the country from private hands. These months have seen the formation of Public-house Trust Companies in Great Britain and Ireland under the leadership of Earl Grey,<sup>1</sup> the rapid extension of the People's Refreshment-House Association, formed in 1896 by the Bishop of Chester and Major Craufurd, and of other similar enterprises upon a smaller scale. In all these Companies it is provided that the dividends of the shareholder shall be limited to 4 or 5 per cent. per annum, and that the surplus profits shall be appropriated to objects of public utility.

It is difficult to determine the full import of this movement, but it almost certainly marks a perception

<sup>1</sup> Already (July 6th, 1901) it is announced that "Arrangements have been, or are being, completed for the formation of Public-house Trust Companies in the following localities: The East of Scotland, Glasgow, Renfrewshire, Northumberland, Kent, and Belfast. Preliminary steps to that end have also been taken in Bradford, Durham, Essex, Leeds, Liverpool, Northamptonshire, Nottinghamshire, Surrey, Sussex, Warwickshire, and Hertfordshire."



of the futility of all attempts to exercise effective restriction and control over the public-house trade so long as it continues in private hands. It marks also a growing sense of the absurdity of permitting the enormous profits of a monopoly created by the State to pass into private hands.

And, beyond all doubt, the rapid extension of these company experiments bears witness to the universal feeling that "something must be done" to stay the evils of intemperance. Their formation has been welcomed by a large portion of the press, and they have enlisted the support of many men of wide influence who have hitherto stood aloof from the temperance movement. Impatient of the endless delays in legislation, conscious that the Trade is year by year entrenching itself more firmly and promptly occupying all new ground, the promoters of these companies have determined to do what they can under the existing law, and, if possible, to ensure that any new licences granted shall be held as a trust in the interest of the public, and not be handed over to private individuals to be used for private gain. Public opinion will support the appeal of Lord Grey in his letter to the licensing magistrates in the various Petty Sessional Divisions of Northumberland, that, if they can see their way to do so, they shall offer him, "on behalf of the People's Refreshment-House Association, or some kindred organisation, the refusal of any new licence they may be disposed to grant, before they confer it upon a licensee under conditions which will enable him to lawfully appropriate to his own pocket profits which, under the plan I propose, would accrue to the community."

It is well, however, to recognise from the outset the limitations which, until a large measure of temperance



reform has been carried, must necessarily attach to these experiments, and the difficulties, in some directions almost insuperable, under which they will be conducted.

These difficulties have already been experienced in the rural experiments that for some years past have been carried on in different parts of the country; they will press even more heavily upon the Trust Company houses which it is proposed to open in the towns. The true character of these difficulties will probably best appear in a review of the conditions that are essential to the success of company control.

#### CONDITIONS OF SUCCESS IN COMPANY CONTROL

The fullest evidence as to these conditions is to be obtained from an examination of the working of the system in Norway and Sweden, where it has been carried on for more than thirty years under the guidance of able and disinterested men. Before, however, we tabulate this evidence, the question should be answered: What is the success that is sought? Is it merely to have an orderly public-house in which drunkenness shall be forbidden, in which the licence law shall be observed, in which no credit shall be given, in which gambling and all immoral accessories shall be done away with, in which, in short, the present consumption of alcohol (or that part of it which is not distinctly intemperate in character) shall be carried on, though under improved conditions? Is this the whole of the success that is sought, or does the success aimed at go further and seek to bring about a substantial reduction in the normal consumption?

This question is fundamental, as upon the answer that is given to it will probably depend the lines of policy



#### 4 STATEMENT OF PRINCIPLES AND

of the Trust Companies. It is often assumed that the problem to be solved is solely one of intemperance, by which we mean flagrant and manifest excess, and that apart from this the normal consumption of alcohol calls for no special attention on the part of statesmen and temperance reformers. But surely this view of the problem is inadequate, if on no other grounds, certainly on this, that it leaves out of consideration the serious economic danger that results from the present average expenditure upon alcohol! The present writers have elsewhere<sup>1</sup> conclusively shown that the average family expenditure of the working classes in this country upon drink cannot be less than six shillings per week—a sum that is probably more than one-sixth of their average family income. This expenditure clearly leaves no sufficient margin for the maintenance of that standard of physical and mental efficiency which is now seen to be of primary importance in the industrial competition of nations. In view of this fact it would seem to be self-evident that no experiment could be considered really “successful” that did not bring about a substantial reduction in the normal expenditure upon drink.

With this preamble we may consider what in Norway and Sweden have been found to be the conditions of success in company management.

1. *The elimination of private profit from the sale of drink.*

This principle carries us further than is sometimes seen. Not only must the actual dispenser of the drink have no pecuniary interest in the amount of liquor sold, but the manager of a company who

<sup>1</sup> *The Temperance Problem and Social Reform.*



appoints and determines the position of the staff should also know that his salary is independent of sales. This vital principle of the elimination of private profit would also be invaded if those from whom the liquor is bought could as shareholders or directors influence the policy of the company.

2. *Public cupidity must not take the place of private cupidity, and to this end the appropriation of the profits must be determined by clear statutory law.*

The experience of the Scandinavian countries upon this point is exceedingly suggestive. In Gothenburg, as is well known, the city rates are aided by the profits of the *Bolag*,<sup>1</sup> and an amount equal to about one-third of the total municipal revenue is annually received from this source. The ratepayers of the city have thus a direct interest in encouraging the sale of liquor. The enlightened founders of the system did not intend that the profits should be so used, but were driven to accept this arrangement owing to the absence of statutory law determining their appropriation. In Norway the company system was introduced later than in Sweden. The Norwegians recognised the danger lurking in the Swedish system, and the Norwegian law of 1871, under which the companies were established, expressly provided that the profits of the *Samlags* should be devoted to "objects of public utility." It was further provided that the bye-laws of each *Samlag* should be approved by the central

<sup>1</sup> *Bolag* is the Swedish, and *Samlag* the Norwegian, word for "Company."



Government. This system was admittedly far better than the Swedish, yet the temperance reformers of Norway justly regarded with apprehension a scheme under which ordinary charities and valuable town improvements were dependent upon the profits of the local drink traffic. To guard against this danger the temperance party were able to embody in the Act of 1894 a change in the method of appropriating profits under which 65 per cent. of the whole now goes to the State. In both countries there has been but an imperfect recognition of the need for providing upon an extensive scale out of the profits of the trade counter-attractions to the public-house.

3. *In any town in which a Company is established it must have a monopoly of the retail licences, both "on" and "off."*

This monopoly is essential to the full success of the company system. In reducing the hours of sale, in the non-serving of young persons below the age of eighteen, in prohibiting sales on credit, in abolishing adventitious attractions in their houses, and in many other ways the controlling companies have been able to exercise a powerful restrictive influence; but such influence obviously could not have been exercised if within a few doors from the company shops other licensed houses had been open in which none of these restrictions were enforced. The companies, with few exceptions (those which do occur are mischievous), have a complete monopoly of the sale of spirits, but unfortunately neither in Sweden nor in Norway is beer included within the scope of the controlling



system. By common consent this is its weakest point. The Scandinavian experience distinctly points to the need of a monopoly extending to the retail sale of all kinds of alcoholic liquor.

4. *The system must provide for the full liberation of the progressive sentiment in a locality.*

"There can be little doubt," to quote words which the present writers have used elsewhere,<sup>1</sup> "that if temperance reform is to advance upon the ordinary lines of social progress in this country, it must do so by giving the localities a large measure of self-government in relation to the drink traffic, and, subject to the observance of a few conditions to be laid down by Parliament, everything is to be gained by the grant of such liberty. The public opinion of the large towns, with their intelligence and municipal spirit quickened by the possession of power to deal effectively with intemperance, will shape itself in definite forms. *But there must be a real liberation of the local forces.*"

This liberation of the local forces can be accomplished under a system of company control *if the company is in close association with the municipal government, as in Norway and Sweden.* In the Bergen *Samlag*, for instance, out of forty members of the committee of management twenty-five are chosen by the shareholders and fifteen by the municipal council. The committee, therefore, acts with full knowledge of the wishes and opinions of the locality. The close association of the *Samlag* with the municipal council is further maintained

<sup>1</sup> Preface to *The Temperance Problem and Social Reform*.



by the fact that the latter, in conjunction with the magistracy, are (subject to the veto of the State governor) the licensing authority from whom the companies at the expiration of each quinquennial period have to apply for the renewal of their licence. A controlling company so constituted is a responsible body—responsible, in the first instance, to the municipality, and through it to the local community. This system is quickly responsive to an enlightened public opinion. The temperance reformer can influence it either by direct service on the city council or by furthering the return of those in whose policy he concurs.

5. *Lastly, if these Companies are to achieve any high success they must be conducted as undertakings having for their object a distinct temperance end, to which commercial considerations must be strictly subordinated.*

It may be confidently asserted that the success of the various controlling companies in Sweden and Norway as agencies for the advance of temperance has been proportionate to the degree in which they have carried out the five principles enumerated above. The efficacy of these principles does not depend upon anything peculiar to the Scandinavian soil; they would be as potent in this country as elsewhere. If kept steadily in mind they should aid us in forming an opinion of the value, as temperance agencies, of the companies which have been or are about to be formed in this country.

## CHAPTER II

### "The Boar's Head," Hampton Lucy, Warwick

Date started.

1877.

Population of Parish.

500.

ONE of the first persons in Great Britain to attempt an experiment upon "Gothenburg" lines was the Rev. Osbert Mordaunt, Rector of Hampton Lucy, Warwick. On his appointment to the parish a quarter of a century ago, Mr. Mordaunt found himself sole trustee of a village inn which had belonged to the former incumbent, but had been bequeathed by him to his successors in trust for the parish.<sup>1</sup> The population of the parish was small and much scattered; but as the inn was the only licensed house in the parish—the nearest public-house being two miles away—Mr. Mordaunt determined upon an experiment upon the general lines of the Gothenburg system, the main principles of the experiment to be: (1) the purity of the liquor sold—a point upon which Mr. Mordaunt lays great emphasis; and (2) that "the person who sells the beer must have no interest in the profits. He must merely be a dispenser."

In practice, and as a matter of convenience, the rector

<sup>1</sup> The rent of the inn is devoted to the payment of the organist's salary.



has always appointed one of his own servants—a gardener or a coachman—as manager. He is allowed the house rent free and a small sum for management, and receives whatever profits he can make upon temperance drinks and food. He is also allowed to take "the profits upon the stablings, such as they are." The sale of food is small.

No spirits are sold, the spirit licence having been abolished when the experiment was begun. A certain quantity of spirits is, however, brought into the village by the grocers' carts. The abolition of the spirit licence was at first extremely unpopular, but complaints are not often made now. It should be added that to meet cases of emergency where the doctor orders spirits, the rector is always willing to supply them gratuitously from his own home. Mr. Mordaunt is clearly of opinion that the abolition of the spirit licence has lessened the consumption of spirits in the village. "People have no opportunity now," he says, "of going to the public-house and asking for threepenny-worth or sixpenny-worth of gin or brandy, or whatever they want. I am certain, for instance, amongst women that that kind of thing has ceased altogether."

The usual public-house hours are observed, and no limit as to the quantity supplied to sober people is ever attempted. No one, however, is allowed to be served who shows any sign of drunkenness. "If anyone is decidedly drunk," said the rector in his evidence before the Royal Commission on Liquor Licensing Laws, in June, 1898, "I expect to be informed. I am hardly ever told of a case now. I admit this may sometimes happen, that a man will come in the worse for liquor who has been, perhaps, to market or to town somewhere, and who comes in and possibly gets served with some beer before his



condition is found out. We sometimes get the credit for having made such a person drunk, and even that seldom occurs."

Sales on credit are absolutely forbidden.

Nearly all the profits go back to the parish in some shape or other to assist the charities. For instance, a "harvest home" is given to the entire parish every year, chiefly out of the profits of the public-house.<sup>1</sup>

On being asked if he had ever felt any temptation to increase the profits for the sake of conferring a general benefit on the parish, the rector replied: "Oh, no! I never felt any inclination to do that at all." Asked, further, if he could conceive of such a temptation existing, he replied: "I can conceive it, but not in anyone's mind who was really interested in the sobriety of the people."

#### GENERAL RESULTS

Speaking of the general results of the experiment, in a statement published a few years back, Mr. Mordaunt says: "I have reason to believe that on account of the liquor being pure and wholesome, and therefore satisfying, much less is consumed than formerly. Low wages may have had something to do with a decrease of consumption. But when wages were higher, some years ago, I noticed that less beer was purchased with a good quality of liquor, although the price remained the same. Before the 'public' changed hands perhaps drunkenness was no worse here than in many places; but cases were common enough. I am thankful to say now they are comparatively rare, and seldom occur, except people have come in

<sup>1</sup> "About two years' profits were once devoted to the sinking of wells and erection of pumps in various places, the water supply being improved at the expense of the beer."



from other places the worse for liquor, and have been accidentally served with more."

In his evidence before the Royal Commission, in June, 1898, the rector said: "I cannot say that there is never any drunkenness, but I think I can safely say that drunkenness is reduced to a minimum. We very rarely have a case of drunkenness, and hardly ever in connection with the public-house."

In concluding his evidence before the Commission, Mr. Mordaunt was asked whether the improvement in the parish was not rather due to the elimination of spirits than to the special virtue of the management? And he replied: "It may be partly due to that, no doubt. It is chiefly due to drinking not being encouraged." He added: "Perhaps there is more done parochially than there used to be. For instance, I established a reading-room some time ago for young men. They sit there and spend a good deal of their time in the winter evenings in these reading-rooms. That has a negative good influence, and I hope keeps them out of the public-house."

In summing up elsewhere<sup>1</sup> the results of his experience, Mr. Mordaunt says: "My experience leads me to the following conclusions:

"1. Temperance reformers do not agitate sufficiently against the evils of adulteration, or, to say the least, against the injury caused to the community by the sale of unwholesome liquor. . . . Certain I am that it is not pure beer, but the mixture sold under the name, which is a potent cause of drunkenness and of the craving for drink amongst thousands who scarcely ever touch spirits. . . .

<sup>1</sup> *Popular Control of the Liquor Traffic: Two Successful English Experiments*, p. 11.



"2. There are many villages and country towns in which property is not divided, where the public-house or houses belong to one squire or landlord. Why should not such proprietors take the matter into their own hands—this could be done with very little trouble to themselves—and so promote health and sobriety amongst their people? . . . . The enormous number of public-houses now in the hands of the brewers must, of course, make a change difficult or impossible for many landlords who might be willing to make it. I only plead in such cases for my system to be attempted as soon as the emancipation of the 'public' is possible. . . .

"3. As regards profit and loss, the business which has paid the publican may be less profitable, but certainly no loss, to the landlord. I am told that it can hardly be made to answer if less business than to the amount of £300 per annum is done. My own figures seem to show that at £300 there is some profit, and that at a figure considerably below this there might be no loss."

Mr. Mordaunt adds: "I am not prepared to say anything very definite by way of advising an experiment of this kind being tried in the face of opposition from other 'publics,' over which a landlord may have no control. But I am very much inclined to think that it would answer, even under such circumstances, simply because the really moderate drinkers (who are still, let us hope, in a majority) would soon discover where they could get the most wholesome return for their money, besides knowing that the manager had no interest whatever in encouraging them to drink or in selling cheap stuff for the sake of extra profit."

In the same pamphlet, however, Mr. Mordaunt states that, as "the possessor of a monopoly undisturbed," he has "succeeded with the system pursued better than could have been expected were there other houses to contend with"; and this conclusion seems to be fully borne out by the history of similar experiments elsewhere. Experience in all such experiments points conclusively to the fact that only limited and imperfect results can be obtained when there is not a complete monopoly of the local traffic.



## CHAPTER III

### The People's Refreshment-House Association, Limited

THE first important attempt to apply some of the essential principles of the Gothenburg system to the management of the retail liquor traffic in this country was made by the People's Refreshment-House Association, Limited. This Association was formed in 1896, with the Bishop of Chester as chairman of the executive council, and, from small beginnings, it has steadily extended its operations until it has now (July, 1901) eighteen houses under its management. So far its operations have been confined to the rural districts, but this has been the result of accident rather than of design, and the Association proposes, as opportunity offers, to acquire possession of town houses also.

According to its published statements, the aim of the Association is "to give wider facilities for the adoption of the system of public-house management, with limited profits, already successfully at work in various parts of the United Kingdom.

"With this object, it seeks to lease existing public-houses, to acquire new licences at places where the growth of the population obliges the licensing magistrates to create new ones, and to establish canteens and



refreshment-bars where required on large public works, at collieries, and elsewhere."

The salient features of the system introduced into the public-houses managed by the Association are set forth as follows :

- (a) In order to remove all temptation to the manager to push the sale of intoxicants, he is paid a fixed salary, and is allowed no profit whatever on the sale of alcoholic drinks.
- (b) On the other hand, to make it to his interest to sell non-intoxicants in preference to beer and spirits, he is allowed a profit on all trade in food and non-alcoholics.
- (c) To enable the customer to get tea, coffee, temperance drinks, or light refreshments just as easily as beer or spirits, these are made readily accessible at the bars, and are served promptly. In this way the beer and spirit trade is deposed from the objectionable prominence into which, from motives of profit, it is pushed in the ordinary public-house, the aim of the Association being to maintain the house in a general sense as a public-house, but to conduct the trade on the lines of a respectable house of refreshment at popular prices instead of that of a mere drinking-bar.
- (d) To guard against the evils of bad liquor, great care is taken that everything supplied is of the best quality.

The capital which is from time to time required to carry on the Association's increasing business is offered for subscription to the public in the form of £1 shares, entitled to a dividend out of profits at a rate not exceeding 5 per cent. per annum, after payment of which



and making provision for a reserve fund, the surplus profit is devoted to objects of public utility, local or general, as the president and vice-presidents in consultation with the council may determine. The dividend is not cumulative.

The rules of the Association provide :

1. That the business of the Association shall be managed by a council consisting of not more than fifteen persons, who shall be elected from a list of persons nominated by the shareholders.
2. That any officer or council-man may be removed from office by a majority of two-thirds of the members voting at a special general meeting called for that purpose.
3. That no member, other than a registered society, shall hold an interest exceeding £200 in the shares of the Association.
4. That each member shall have one vote only in respect of the share or shares held by him.

Major Craufurd, who co-operated with the Bishop of Chester in the formation of the Association, in a letter to the present writers, dated July 7th, 1901, says in respect of this rule: "My idea in framing the rule was to safeguard the voting power getting into the hands of interested parties, who might buy up shares and parcel them out in blocks of two hundred to their nominees. This one shareholder one vote plan, which would apply to a poll as well as to meetings, would, it was thought, prevent this."

The following is a complete list of the inns now under the control of the Association. It will be noticed that they are widely distributed over the country :



## 18 THE PEOPLE'S REFRESHMENT-HOUSE

Date acquired.	Name of House.	Locality.
1897.	Sparkford Inn.	Sparkford, Somerset.
1898.	Meynell Ingram Arms.	Hoar Cross, Burton-on-Trent.
"	The Green Man.	Tunstall, Wickham Market.
1899.	Red Lion Inn.	Broad Clyst, Exeter.
"	Rose and Crown.	Thorney, Peterborough.
"	Plymstock Inn.	Plymstock, Plymouth.
"	Jubilee Inn.	Flax Bourton, Bristol.
1900.	Mermaid Inn.	Wightwick, Wolverhampton.
"	Royal Oak.	Ramsden, Charlbury.
"	Plume of Feathers.	Sherborne, Dorset.
"	Dog and Doublet.	Sandon, Stafford.
"	Failand Inn.	Failand, Bristol.
"	Buck's Arms.	Blickling, Aylsham.
"	Norfolk Hero.	Stanhoe, Norfolk.
1901.	Wharf Inn.	Nuneaton, Warwickshire.
"	Rose and Portcullis.	Butleigh, Somerset.
"	Broad Oak.	Strelley, Notts.
"	Carnarvon Arms.	Tiversall, Notts.

The report of the Association for 1900 shows that there was a net profit on the last year's working of £1,107 11s. (or, with the amount carried forward in the previous year, of £1,166 6s. 4d.). Of this amount £699 1s. 11d. went to meet the expenses of the central office; £20 17s. 1d. for legal expenses, interest on manager's guarantees, and depreciation of office furniture; £225 6s. 4d. was devoted to the payment of dividends; £65 was carried to reserve, and £56 1s. was carried forward; leaving the sum of £100 to be "distributed for public utility."

The net profit on capital (£4,993)<sup>1</sup> was 22 per cent. Inasmuch as the houses managed by the Association are for the most part small, consisting almost exclusively of village inns, situated in thinly peopled districts where the local sales are small and the expenses of management

<sup>1</sup> The present capital of the Association is £8,742.



(including reconstruction and repairs) often unusually heavy, this statement of profits affords useful evidence of the lucrative nature of the traffic and of the large sums that will be available for wise public purposes when the system of *monopoly*, either by companies or by direct municipal action, is made possible by law. It remains true, however, that on the purely commercial side the Association is at a disadvantage by the fact that its operations are confined to the rural districts. Public-house profits are determined by the volume of trade done, and in this respect there can be no comparison between a rural and an urban trade. The fact that no more than 9 per cent. of the net profits is as yet available for purposes of "public utility" is due to the somewhat heavy expenses of the central office, which, "being those of a propagandist body operating over a very large area, are much in excess of the requirements of a purely commercial undertaking." The objects to which this portion of the surplus profits is appropriated are described elsewhere.<sup>1</sup>

In the actual work of management a large measure of freedom is necessarily left to the local manager, who, in the official instructions issued by the central executive, is asked "to regard himself as an agent in the cause of temperance and good behaviour, who by the general tone and system of management of his house will make it a place where recreation and social intercourse of a harmless nature may be enjoyed, and where refreshments of the best quality may be obtained under conditions that encourage temperance."

There are no special rules or restrictions as in Norway and Sweden, the Executive holding that "to subject persons using a licensed house to rules and restrictions

<sup>1</sup> See p. 41.



other than those prescribed by law or sanctioned by the licensing authorities would be an infringement of the rights and freedom of the public for whose convenience the licence was originally granted and is yearly renewed." In a general way, and apart from the prominence given to the sale of food and non-intoxicants and the absence of all inducement to push the sale of alcoholic drinks, it may be said that the method of management is closely similar to that of an ordinary well-conducted village inn. By the courtesy of the Secretary of the Association (Captain Boehmer) the present writers have had an opportunity of personally inspecting several of the houses managed by the Association, and a brief description of these, which are said to be typical, may be of interest as illustrating the methods and aims of the Association.

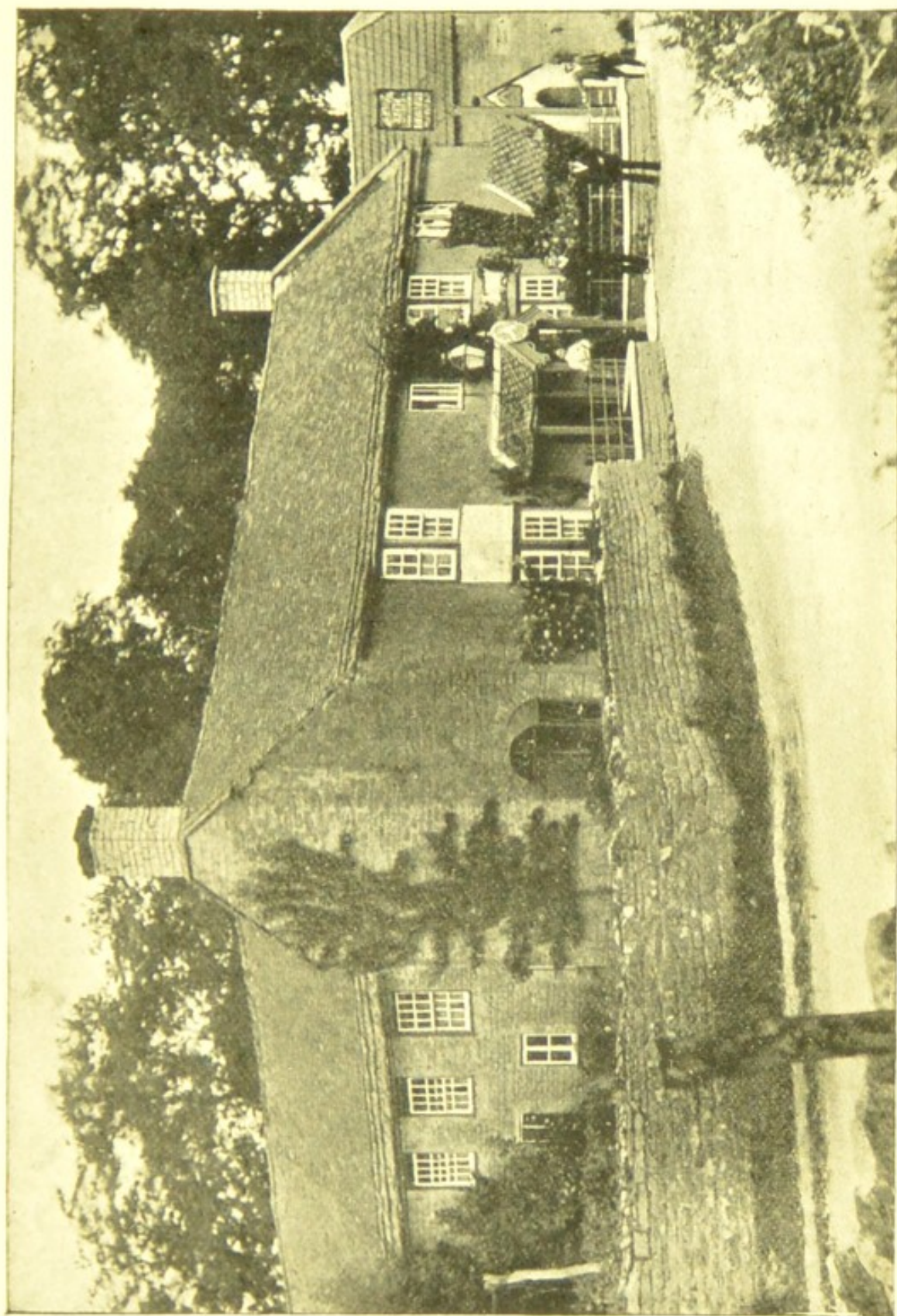
### SPARKFORD INN, SPARKFORD, SOMERSET

Date when acquired by Association.	Population of Village.
October, 1897.	Between 200 and 300.

In some respects the Sparkford Inn furnishes the most interesting and useful illustration of the methods of the Association. It was the first inn acquired by the Association, and has been under their direct control since October, 1897, or nearly a year longer than any other house. It is situated on the main road, near to the Great Western station at Sparkford, but away from the village proper, which is exceedingly small and contains but one shop—a small general store.

The house is fully licensed, and has a complete monopoly of the local trade, the next nearest licensed house being more than a mile away. The local trade is, however, small, and quite inadequate to support the





THE SPARKFORD INN, SPARKFORD, SOMERSET.





inn, which depends mainly upon passing traffic and other extra-local trade. The fact that the house is situated on the main cycle road attracts to it many cyclists and tourists, while at the back of the inn is a large stock-yard where sales of stock are held every fortnight. It is from these sources that the main custom of the house springs.

The house itself, which, like all the other houses managed by the Association, is rented and not owned, is a picturesque, old-fashioned country inn, with rose-trees in front, a garden at the side, and orchard, stock-yard, stables, etc., at the rear. The inn and garden cover slightly more than an acre of ground, while the orchard and stock-yard comprise about  $4\frac{1}{2}$  acres.

The bar proper is a small room 15 ft. by 10 ft., fitted with a table and a few chairs, and used chiefly by the farmers and other local customers of the "better class." Immediately adjoining this is the smoke-room, 20 ft. by 12 ft., which has a stone floor and, like the bar, is furnished with a table and chairs. This is used by the villagers generally. The tap-room is a much plainer room. It has the flag-stone floor common to such rooms, and is furnished with rather rough benches, tables, and a few chairs. It is used only in the daytime, and is chiefly frequented by the field labourers, drovers, etc. It measures about 17 ft. by 16 ft. On the other side of the house, and a little away from the bar, is what is called the commercial-room, a bright, clean room, about 18 ft. by 15 ft., furnished with a long table, "Windsor" chairs, and a few pictures. It is here that teas and other refreshments of a similar character are generally served.

Upstairs there are six bedrooms. Two of these belong



to the Association and are let out to visitors at two shillings per night (one-half of this charge going to the Association and the other half being credited to the manager). The rooms are simply furnished, but are scrupulously clean and comfortable. The other four bedrooms belong to the manager and his family.

There is also an upstairs parlour or sitting-room, which belongs to the manager, but is used on occasion as a ladies' tea-room or as a sitting-room for summer visitors.

The fittings throughout are simple but sufficient, and the scrupulous cleanliness which everywhere prevails reflects great credit upon the manager and his wife.

The public-house trade proper is of a general kind, a varied stock of liquors being kept, while there is also a large trade in cider, the quantity of cider sold amounting to about one-fourth of the total sales of "draught" beers. All liquors are of the best quality, and the age of the spirits sold is plainly marked upon the label attached to each bottle. The "off" sale is small, amounting on an average to no more than a dozen jugs of cider or beer a day. No credit is given, nor is any attempt made to push the sale of intoxicants. There are no games or other adventitious attractions. The Association did at one time propose to build a skittle-alley, but subsequently decided not to do so. In the judgment of the present writers it was well advised in its later decision. It is noteworthy that no advertisement of alcoholic liquors is allowed in the bar or in any of the rooms. On the other hand, advertisements of tea, coffee, and other temperance drinks are conspicuously placed in all the passages and rooms, and the sale of these appears to be encouraged in every possible way. Ordinary meals and other light refreshments are also easily procurable. This free advertisement and



ready supply of food and non-intoxicants of a good quality is a conspicuous feature of the management, but it probably represents all that an ordinary manager is able to accomplish in the way of counteracting the sale of intoxicants. In the bar trade proper it would seem to be impossible in a direct way to "push" the sale of non-intoxicants. The customer, it is said, comes in "with his order on his lips," and the manager cannot, when the order for beer or whisky is given, suggest that the customer should take lemonade instead. In this strict sense there are obvious limits to the "pushing" of non-intoxicants; but it is clear that in less aggressive ways the sale of such drinks can easily be encouraged, and this the Association, through its managers, evidently seeks to do.

The manager is paid a fixed salary, with allowances for fuel, lighting, etc., and he also receives the whole of the profits on food and two-thirds of the profits on the sale of mineral waters. He further receives all profits on cigarettes and tobacco, the Association reserving to itself the profits on cigars.

There are no special regulations or restrictions. In such matters as the hours of sale, Sunday sale, and the serving of children, the Association adheres strictly to the provisions of the licensing law. In other matters reliance is placed on the manager's discretion. There is no express limit as to the quantity of liquor which a customer may purchase, the practice being to supply whatever is asked for in the ordinary way. The manager stated that in cases where he thought a man had had enough it was his practice to "put up his finger" as a warning sign, and also as a hint of his refusal to serve more.

The extent to which the locality benefits from the



profits of this house is largely determined by the result of the Association's operations as a whole. Not all of its houses are equally remunerative. In some cases where the expenditure for alterations and repairs has been exceptionally heavy, the trading for the first few months or even for the first year may show an actual loss, and in dividing its profits the Association is bound to recoup itself for such loss out of the profits of the more prosperous inns. In this way it happens that the grants assigned to objects of "public utility" in Sparkford have hitherto borne no direct relation to the profits earned in Sparkford. The effect of this arrangement is largely to diminish the direct interest of the community in the local sales, and from this point of view it is to be commended. So far the grants made for local purposes have not been large. Last year, when the profits for 1899 were disposed of, a sum of £15 was allotted to Sparkford, and this sum was spent in improving the water supply of the village. This year a sum of £14 has been voted out of the profits for 1900, the grant being slightly less than in the previous year, although the profits earned in Sparkford were larger. The grant has this year been assigned to the Sparkford school. The usual procedure is for the Council of the Association to notify the sum which it proposes to allot to the locality. A village meeting is then called and a resolution passed fixing the object or objects to be benefited. This resolution is forwarded to the Secretary of the Association by the chairman of the meeting, and a cheque is at once sent.

#### GENERAL IMPRESSIONS

In summing up the general impression produced by our visit to the Sparkford inn, it may be said at once



that the aim of the house is not so much to restrict sales as to regulate the conditions under which such sales are made, and especially to secure the comfort and orderly behaviour of those frequenting the house. While alcoholic liquors are freely sold they are in no sense "pushed," and the customer has at all times a free choice of temperance drinks of a good quality.

If it be asked whether the change of management has led to diminished drinking or to a decrease of intemperance, it must be said that the natural assumption is that it has. It is generally agreed that before the Association took over the house it was neither clean nor well conducted, so that the change in these respects would seem to be marked. The entries in the visitors' book point to a very real improvement under the management of the Association, and upon a review of all the evidence it would be difficult to suppose that this has not been the case. The Rev. F. S. M. Bennett, Vicar of Portwood, Stockport, who is part owner of the inn, writing on September 4th, 1898, a year after the transfer had taken place, stated: "In my opinion the results from the temperance point of view are most admirable." Similar testimonials have been received from others.

It is nevertheless matter for disappointment that the Association has not seen its way to attempt experiments in earlier closing, and especially to discontinue Sunday sales. The position which the Association assumes in reference to these matters is frankly stated in the published statement of its methods and aims, and its reluctance to proceed in advance of the licensing law is easily to be understood and sympathised with; but the value of its experiments as object lessons in public-house reform is clearly lessened when no experiments of the kind suggested are made. In a small and isolated community such as



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Sparkford, where the Association has a complete monopoly of the local trade, such experiments would seem to be comparatively easy. This is especially the case in reference to Sunday sales. Such sales are at present extremely small, the bar takings amounting to no more than ten or twelve shillings for the entire day, while it is stated that there is practically no Sunday trade until after 8 p.m. It would appear, therefore, that this is distinctly a case where the Association might with advantage apply for a six days' licence.

In other respects the conduct of the house appears to be excellent. It may be added that in the village itself little provision seems to be made for the social life and recreation of the people. There is, it is true, a small reading-room in the village, but it is altogether inadequate as a contribution to the recreative needs of the place.

### THE "RED LION" INN, BROAD CLYST, DEVON

Date when acquired by Association.	Population of Village.
March, 1899.	A Few Hundreds.

The inn at Broad Clyst is also situated in an entirely rural district. The village proper contains but a few hundred inhabitants, but it is part of a large and scattered parish which stretches across country for a distance of seven miles and contains about two thousand inhabitants. The conditions at Broad Clyst are different in some important respects from those at Sparkford. The Association, to begin with, has no monopoly of the local sales. In addition to the "Red Lion," and only half a mile distant, is the New Inn, which until recently was a beerhouse only, but has now acquired a full licence. There is also another fully licensed house at the station, a mile and a



half away. The next nearest licensed houses are two and a half miles and four miles distant respectively.

When the owner of the New Inn first applied for a full licence the Association instructed its manager to oppose, but on the last occasion, owing to a strong local feeling in favour of the application, no opposition was offered. The effect of the competition is, however, apparent.

In its structural arrangements the "Red Lion" is distinctly inferior to the inn at Sparkford. The bar proper consists of a private enclosure for those serving. In front of it is a passage leading from the main doorway, but divided into a sort of compartment by a separate door. It is here that "transients" are served.

At the side of the bar, and communicating with it, is what is called the "glass"-room. It is a cosy room, 25 ft. by 12 ft., furnished with small tables and leather-cushioned bench seats, and provided with a "polyphon," draught-board, etc. On the night of our visit it seemed to be chiefly frequented by young men. Behind the bar is a small private sitting-room. On the other side of the main passage is the tap-room, a somewhat bare and uninviting room, with whitewashed walls and a stone floor, and furnished with a table and rude wooden benches. This room seemed to be exclusively used by the village labourers,<sup>1</sup> a number of whom regularly spend their evenings there. The only games provided are draughts (when the board is not required in the "glass"-room), and "ring and peg."

In another part of the building, but on the ground floor, is the tea-room. This room, which measures about 25 ft. by 19 ft., has a separate entrance, and is brightly and

<sup>1</sup> We were, however, informed that women sometimes use the tap-room.



pleasantly furnished with basket chairs, small tables, an overmantel, etc. It is here that cyclists and other visitors are served. The room is also let once a month to the "Young Club"—a local sick benefit society, which pays a rent of thirty shillings a year, and is said to order little drink.

Upstairs is the dining-room, a fine room, 40 ft. by 20 ft., which is used for "rent dinners." It contains a good piano. The manager and his wife would like to use the room in the winter for "smoking-concerts," etc., but the Council of the Association wisely refuses its consent.

The trade done is of a general kind, but "a lot of gin" is said to be sold. The "off" sales are said to be only "fair." Gin is sold a penny per quartern cheaper for "off" consumption, but no reduction is made on other spirits or on beers. There is a moderately large Sunday trade, the average takings amounting to about £3. Formerly the Exeter 'bus called twice on Sundays—namely at 4 p.m. and 7 p.m.—but the customers it brought were so disorderly that the manager at last refused to serve them, and the 'bus now calls at the New Inn.

There is evidently much local prejudice against the inn, especially on the part of some who formerly frequented it. A good deal of this prejudice appears to be either unfounded or based upon resentment against the dispossession of the former tenant, a local man. At the same time, there is evidently a strong feeling on the part of some of the villagers that the conduct of the house is not what it might be, and it must be admitted that our own observation went to show that the management was less strict than in the case of the other houses visited. In one case that came under our own notice a man left the tap-room obviously worse for liquor, but was allowed



to return shortly afterwards. As he was notorious in the village for his drunken habits, the case could hardly have been an oversight.

There were also complaints that tea and other light refreshments were not always readily forthcoming. Our own visit gave us no opportunity of judging of these complaints. The proportion of temperance drinks and food sold is, however, small.

The effect of the change of management is undoubtedly less marked in Broad Clyst than elsewhere. The inn apparently does less trade than under the former management, but this is probably due less to increased restrictions than to local prejudice, and especially to the competition of the now fully licensed New Inn. It certainly does not appear that the aim of the present management is to restrict sales. The house is conducted much as an ordinary village inn is conducted, but with an evident desire on the part of the manageress and her daughter for "trade." Their motives in this are, however, apparently single, for they have absolutely no pecuniary inducement to push the sale of alcoholic liquors. The explanation is probably to be found in the fact that they are keenly sensitive to the competition of the rival inn. The force of this competition certainly tells powerfully against the Association in Broad Clyst.<sup>1</sup>

The pecuniary benefit resulting to the village from the operations of the Association has not so far been great. Last year a total grant of £15 was made to the village,

<sup>1</sup> We are informed by the Secretary of the Association that Sir Thomas Dyke Acland, the owner of the inn, has confessed himself well satisfied with the management of the house, and has stated that "if he had another house vacant he would offer it to the Association, although he would like to have a voice in the selection of the manager."



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of which £5 was devoted to the Nursing Fund, £5 to the Clothing Club, and £5 spent on village lamps and the village green. This year (1901) a grant of £20 has been made to the village, of which £5 has been devoted to the Nursing Fund, £5 to the Clothing Club, £5 to the extinction of a debt incurred in erecting a bathing-place, and £5 has again been spent on village lamps and the village green.

Of direct counter-attractions to the public-house there are practically none. The social needs of the village are supposed to be met by a small reading-room, which is open during the six winter months only and is under the charge of the sexton. There are forty-five members, who pay a weekly subscription of one penny. The average attendance is said to be fifteen. Several of the young men who were seen in the "glass"-room of the "Red Lion" were formerly members of the reading-room, but left owing to a disturbance. Members are now elected by ballot. We were informed that there had been but one concert in the village during the previous winter.

### PLYMSTOCK INN, PLYMSTOCK, DEVON

Date when acquired by Association.	Population of Village.
May, 1899.	Between 200 and 300.

Plymstock is a small agricultural village situated less than two miles from Plymouth, and forming part of a wide parish containing several villages, all of them at least a mile apart. Plymstock itself has a comparatively small labouring population, the village consisting chiefly of a few farmhouses and scattered villas.

The public-house is a simple country inn, small, but



pleasant-looking, and scrupulously clean. It has a glass-covered porch in front which admits to a wide lobby leading to the bar. The drink is drawn at the bar, but served in either the tap-room or bar-parlour. The former is a small but cosy room, 12 ft. by 10 ft., warmed in winter by a bright fire and furnished with a table and wooden wall-seats. The bar-parlour, which is used by the farmers, is also a snug room, 15 ft. by 12 ft. Opposite the bar is the tea-room, a pleasant and bright room, furnished with chairs and small tables. This room is reserved for teas and similar refreshments.

There is one bedroom for visitors, but this is rarely used.

The inn seems to be largely used by the villagers as a social meeting-place in the evenings. There is a small reading-room in the village, but this is shortly to be superseded by a new parish-room, which the vicar, with the help of the Duke of Bedford (who owns the estate) and others, is arranging to build. This room, when ready, will be used as a social institute.

The trade done is small and of a general kind; a good deal of whisky is sold, the farmers and small gentry buying it by the bottle. The "off" sale is said to equal the "on," the former being more than usually large owing to the fact that the house has only a six days' licence.<sup>1</sup> No reduction in price is made for "off" sales. Light refreshments and non-alcoholic drinks are easily obtainable, but the demand for them is not great. The manager and his wife both urged that it was impossible to "push" the sale of temperance drinks, but they evidently do their best to encourage such sales, and the usual advertisements are prominently displayed.

<sup>1</sup> No change was made in this respect when the Association acquired the management of the house.



Altogether, the management of the house appears to be admirable. While no deliberate attempt seems to be made to restrict the sales, the manager is careful to discourage intemperance, and he is especially firm in refusing to allow loafing during the day. Local testimony points clearly to a marked improvement in the conduct of the house since the Association became responsible for its management, and our own observation entirely supports this presumption. The Association has been fortunate in its choice of a manager, and it is upon the manager that the success or failure of such experiments largely turns. It is necessary also to remember that the Association has in this instance a complete monopoly of the local traffic—a fact of considerable importance in estimating its success.

We may add that the only grant from profits made to the village last year was one of £5—towards the village reading-room. This year a grant of £6 has been made towards the new parish-room.

The Rev. C. B. Collyns, Vicar of Plymstock, testifies as follows to the good influence of the new management: “I am glad to be able to tell you that the new order of things is a very great improvement on the old, and appreciated as much by the frequenters of the house as by others. I am convinced that the temperance cause is being quietly but really helped by the Association. Many of those who sat and drank by the hour under the old *régime*, and left the house very drunk at closing-time, now think it too respectable for them, and stay at home. Under the old management the village was often disturbed by rowdyism at night; this has quite disappeared since the Association acquired the house.”



THE "PLUME OF FEATHERS," SHERBORNE,  
DORSET

Date when acquired by Association.  
February, 1900.

Population of Town.  
6,000.

This house, prior to its acquisition by the Association, was a badly kept and somewhat disreputable place, whose evil reputation and low class of trade were serious obstacles in the way of the new management. It was also so ill-adapted for the purpose for which it was licensed that important structural alterations, involving an expenditure of more than £300, had to be undertaken by the Association before it was fit for their work. It is a low, old-fashioned building, somewhat "ramshackle" in arrangement, and apparently constructed without regard to the practical requirements of the trade.

On the ground floor is the bar proper, a room 14 ft. by 12 ft., and fitted with a table and chairs. Immediately opposite is the bar-parlour, a room 13 ft. by 12 ft., in which only a "glass" trade is done. It has the usual photographs of houses belonging to the Association and the ordinary advertisements of temperance drinks, and, like the bar, is furnished with chairs and a table. A little to the rear of this room, and approached by the central passage, is the ruder tap-room, with its stone floor and wooden benches and the customary table. It is a rather dark room, used by labourers and others during the daytime, and on Saturdays by women from the surrounding country districts, who come into Sherborne for shopping.

All beers, etc., are drawn straight "from the wood." The cellar is immediately behind the bar, at the rear of the building, and the "off" trade is supplied direct from



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the cellar and not from the bar. In this way children and others entering with jugs do not enter the bar, but pass direct to the cellar.

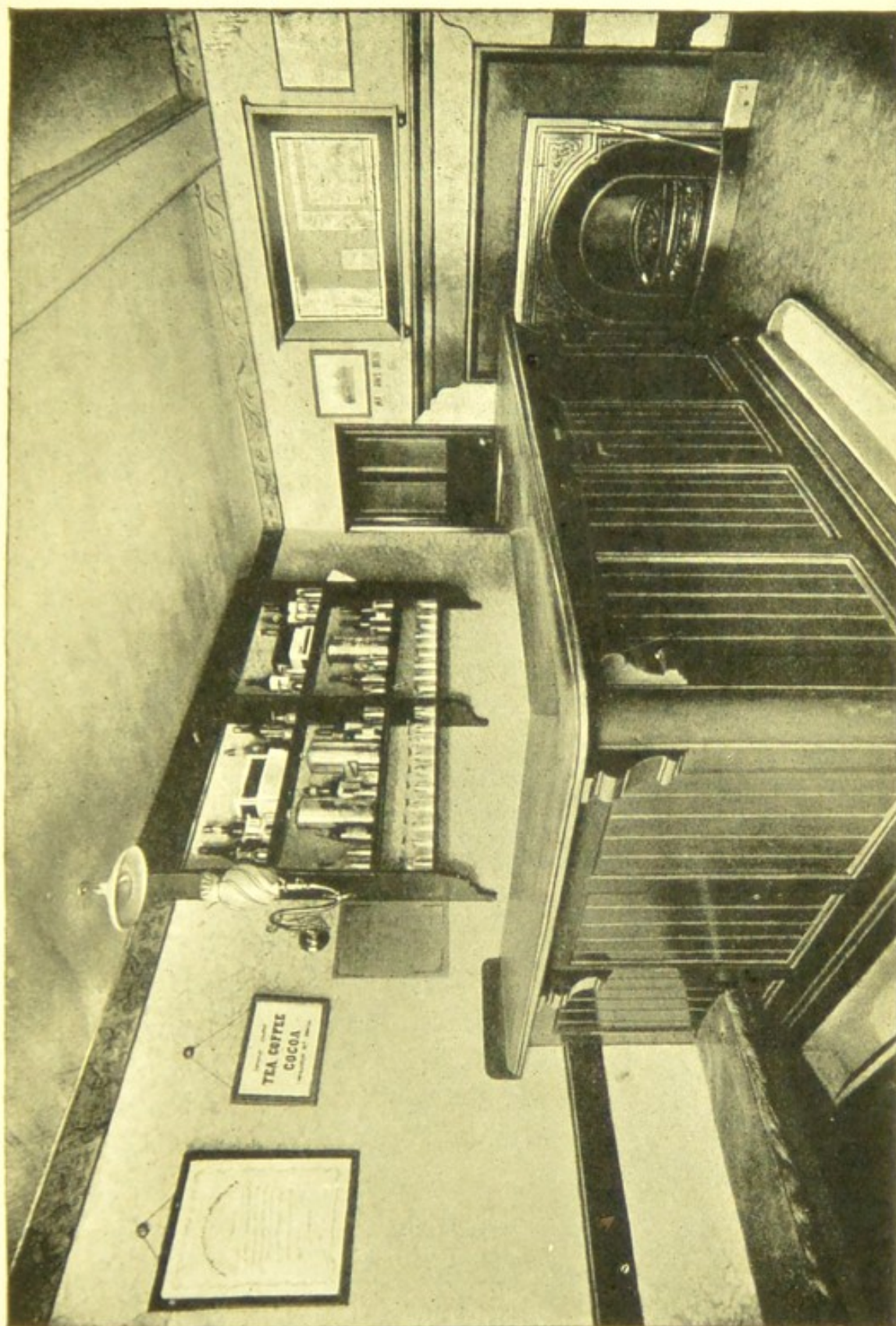
Adjoining the main building, but communicating with it, is the newly added tea-room, a very bright room, measuring 20 ft. by 13 ft., and pleasantly furnished with cane chairs, small tables, an overmantel, pictures, etc. This room has a separate entrance, and from its close proximity to the famous old Abbey (a popular resort for visitors in the summer months), it should be freely patronised for teas and other light refreshments. At present the trade in this department is small.

In the first few weeks of its management the Association encountered much prejudice and suspicion, and did very little trade. The manager, who appears to be in full sympathy with the aims of the Association, was careful from the first to discourage loafing and the loose practices that had formerly prevailed, with the result that the old customers left and others were slow to take their place. Gradually, however, the house has won its way, and the trade now done is said to compare favourably with that of other houses in the town. The Association is heavily handicapped in its experiment by the competition which it has to encounter, and the manager was fully alive to this in his statement of what was possible in the way of restrictions and reforms.

There are no less than twenty-six licensed houses (*i.e.* public-houses and beer-shops) in Sherborne, in addition to grocers' licences and wine and spirit stores, and this fact has to be considered in attempting any reform.

The manager pointed out that even to attempt to close earlier on Sundays would mean a loss of ordinary trade, since it would place the house at a disadvantage with





BAR-ROOM, "PLUME OF FEATHERS," SHERBORNE, DORSET.





other licensed houses in the town, and also revive a prejudice against the Association which it has hardly yet had time to live down. It is scarcely to be wondered at, therefore, that the result aimed at in the management of the house is general good conduct rather than definite restriction of sales. In this respect the Association can fairly claim to have succeeded. The house seems to be largely used as a place for social intercourse, but no encouragement is given to intemperate drinking, nor is it knowingly allowed. There are no games nor other adventitious attractions, and this despite the fact that skittle-alleys are provided by other publicans in the town.

The "off" trade of the house is small, averaging only about twelve quarts a day. In accordance with the custom of the town, prices for "off" sales are reduced. Pale ale, for example, is sold a penny per pint cheaper for "off" consumption, and old beer, Burton, and stout a halfpenny per pint cheaper. No reduction is made in the case of cheap ale. Other houses in the town also make a reduction of one penny per gill for all spirits sold for "off" consumption, but the Association makes such a reduction in the case of gin only.

The proportion of spirits sold both for "on" and "off" consumption is not, however, great, the bulk of the trade consisting of beer and cider.

Temperance drinks are well advertised and are always readily accessible, but the demand for them is small, a curious fact being that considerably less mineral waters are sold under the new management than under the old. This statement is made on the authority of the manufacturer who supplied the former tenant and now supplies the Association. That this does not result from any lack of eagerness on the part of the present manager or his wife is certain. They naturally desire



for their own profit to increase the sale of such drinks, but state that they can do little directly to "push" them without running a great risk of driving their customers away. It is an interesting fact, however, in this connection that the manager regularly opens his house at 6 a.m. (*i.e.* two hours before the other licensed houses in Sherborne), in order to supply tea to working men on their way to their employment. He is able in this way to sell on an average from thirteen to fifteen cups of tea every morning before 8 a.m. He has occasionally sold as many as thirty in one morning, but that has been due to special causes.>

Whether the house under its new management has actually lessened the amount of intemperance in the town it is difficult and, indeed, impossible to decide. In view of the competition that surrounds it, it could hardly be expected to accomplish much in this direction. It is certain, however, that the character of the trade in the house itself has greatly improved. The loafers and other disreputable persons who frequented the inn under its former management no longer cross its threshold; they have probably merely transferred their custom to other houses where the management is less strict, but it is something gained to have closed the doors of one public-house against them. Inasmuch, also, as it was not at any time a question of abolishing the licence, but only of changing the conditions under which it was exercised, the Association is entitled to full credit for the unquestionable improvement that it has in this respect effected.

### SUMMARY OF ADVANTAGES AND DEFECTS

The foregoing instances, which are said to be typical of the houses rented by the Association, will probably



suffice to illustrate the methods and aim of the People's Refreshment-House Association, and they furnish evidence enough to allow of a just estimate being made of the advantages and limitations of the experiment.

#### ADVANTAGES OF THE SYSTEM

1. The first and most obvious virtue of the system is that it completely eliminates the element of private profit from the sale of intoxicants in the houses managed by the Association.

2. The Association in no way authorises or sanctions any attempt on the part of its managers to push the sale of alcoholic liquors. On the contrary, it has clearly done its best to withdraw all inducement in this direction. That it could greatly increase its sales if it cared to do so is, we think, certain.

3. The utmost prominence is given to the sale of temperance beverages, and a powerful pecuniary inducement is offered to the managers to foster the sale of such drinks. Although the Association provides and furnishes the tea-rooms, and supplies all china and other utensils, the *whole* of the profits on food are given to the manager, as well as two-thirds of the profits on the sale of mineral waters.

4. There are no sales on credit.

5. Gambling and all the immoral accessories of the public-house are abolished.

6. Music and other adventitious attractions are not allowed except by the special permission of the Central Council. In practice no such permission seems to be given, the only apparent exception to this being the case of the Red Lion Inn at Broad Clyst, where draughts and a "peg and ring" board were in use. In this respect the



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Association has wisely modified in practice the theory of recreative attractions which was a feature of the scheme as originally proposed.

7. Full attention is given to the purity of the liquors sold and only those of good quality are admitted. A careful system of inspection is provided for by the Council. In practice the inspection is done by the Secretary of the Association, whose method is to enter a house without notice and take samples of the liquors sold in the bar. These samples are sent back to the merchants who supplied them, to ascertain whether the liquors are of the same strength as when first supplied, and also if the liquors are actually the same. So far, according to the statement of the Secretary, there has never been "a single case of detection or suspicion in that connection."

8. All possibility of collusion between the brewer or distiller and the local manager is rigorously excluded.<sup>1</sup> Wines and spirits are ordered by the central office. In the case of beer, orders are sent by the local managers, but the central office chooses the brewer. All invoices (whether for beer or spirits) go direct to the central office, and the liquors are then charged to the local managers at selling prices. The local managers are further charged  $2\frac{1}{2}$  per cent. for "unaccountable profit"<sup>2</sup> on all liquors sent.

9. The Association *rents* all its premises, which,

<sup>1</sup> Rule 31 provides that "It shall be the duty of the Council to discharge from the service of the Association any person employed by the Association who directly or indirectly shall receive from any other person supplying or dealing with the Association any gift, bonus, commission, or benefit."

<sup>2</sup> This is a trade term used to denote a margin of profit that accrues from certain uncontrollable causes, such as the impossibility of filling a glass absolutely full, etc.



generally speaking, are simply furnished and scrupulously clean.

10. Finally, it is to be noted that the Association has in no case added to the number of licences in a locality, but has simply acquired existing licences where suppression was not a practical issue.<sup>1</sup>

#### LIMITATIONS AND DEFECTS

The defects of the system arise chiefly out of the limitations by which, in the present state of the law, it is necessarily bound, and for these it is not properly responsible. It is nevertheless important to notice them, since they serve to indicate the legislative reforms that are necessary before a true demonstration of the value of the Gothenburg system can be given in this country.

1. The most obvious drawback to the experiment is the fact that the Association has only in certain cases a *monopoly* of the local traffic. In many cases it has to encounter the full force of local competition, and the effect of this is always to create a set of conditions unfavourable to complete or even important success. It is, of course, obvious that even with competition certain improvements are possible, and it is clearly a gain to the cause of temperance when the element of private profit is eliminated from even a single public-house; but the motives that underlie the Gothenburg system include much more than the elimination of private profit and the institution of minor reforms, and the value of the system as a temperance instrument is seriously diminished when it has to withstand the practically unfettered competition

<sup>1</sup> The Association is not, however, opposed to the policy of acquiring new licences. It would "always be ready to come forward and apply for a new licence to save it from falling into private hands."



of a privately conducted trade. It must always be remembered that in a struggle of this kind competition tells *against* reform rather than for it, and even where no actual injury is done to essential principles there will always be limitation of effort and the interposition of a serious obstacle in the path of progressive reform. It is for this reason that the present writers have elsewhere<sup>1</sup> attached so much importance to the need of permissive powers under which private companies such as the People's Refreshment-House Association, or municipal councils, can acquire *a complete monopoly* of the licences granted to a village or town.

2. It is further to be regretted that the Association has not so far felt itself at liberty to proceed in advance of the law (as the companies in Sweden and Norway have done) in such matters as reducing the hours of sale, Sunday closing, raising the age limit for children, etc. It is true that in such cases as Broad Clyst and Sherborne, where the Association encounters the competition of other licensed houses, it would be difficult, and, from a commercial point of view, probably suicidal to attempt it; but in other cases where the Association has a complete monopoly of the local traffic it would seem both reasonable and useful to introduce reforms of this kind. The fact that the licensing law prescribes the hours of sale is not in itself (as experiments elsewhere have shown) an insuperable barrier, and it is likely that local sentiment would, as a general rule, support any action of the Association in this direction. Certainly experiments in the public management of the liquor traffic lose much of their practical value as object-lessons when reforms of this kind are not attempted.

3. The appropriation of profits to objects of "public

<sup>1</sup> *The Temperance Problem and Social Reform.*



utility" has so far (owing to heavy expenditure in other directions) been so small that the present writers hardly feel justified in alluding to it as a defect; but in view of their strong conviction that the first charge upon surplus profits should always be the provision of efficient counter-attractions to the public-house, they cannot regard the present method of appropriation as completely satisfactory. Last year the total sum voted to objects of utility was £112, and grants were made as follows<sup>1</sup>:

Sparkford, £15, Improved water supply to village.  
Hoar Cross, £10 towards fund for erection of fountain.

Tunstall, £30 towards fund for district nurse.  
Broad Clyst, £15 as follows: Nursing Fund, £5;  
Clothing Club, £5; Village lamps and green, £5.

Thorney, £30 as follows: Mutual Improvement Association, £15; Peterborough Infirmary, £5; Thorney Flower Show, £5; and Thorney Foal Show, £5.

Plymstock, £5 towards village reading-room.

Flax Bourton, £7 towards School Fund.

It will be seen that while all the objects were in

<sup>1</sup> In the present year (1901) a sum of £100 has been voted as under:

Sparkford, £14, Sparkford School.  
Hoar Cross, £6, Fund for fountain.  
Tunstall, £23, District Nurse Fund.  
Broad Clyst, £20 as follows: Village green and light, £5;  
Clothing Club, £5; Nursing Fund, £5;  
Debt incurred in erecting bathing-place, £5.  
Thorney, £21 as follows: Thorney Horticultural Society, £4; Thorney Foal Show, £4;  
Mutual Improvement Society, £13.  
Plymstock, £6, Parish Room.  
Flax Bourton, £10, Voluntary School Fund.

themselves good, they could only in a few cases be regarded as "counter-attractions" to the public-house, £72 (out of a total of £112) being spent either upon objects properly chargeable to the rates or upon forms of charitable aid usually supported by private philanthropy. In the present instance the matter is chiefly important because of the serious deficiency of social institutes and other centres of recreation in the villages in which the Association carries on its operations.

In judging of the work of the Association as a whole, however, it is to be observed that the Executive do not regard their system of management as having "reached finality," nor as having yet reached the stage where it can be described as entirely fulfilling the aim which the promoters had in view. All that is claimed is that in their short career they have covered "a good part of the way on the road towards an ideal which is kept clearly in view." Meantime there are said to be "a good many directions in which the Executive are tentatively trying improvements, all of which will come in due time."



## CHAPTER IV

### The Grayshott and District Refreshment Association, Limited

#### THE "FOX AND PELICAN," GRAYSHOTT, HANTS

Date opened.	Estimated Population of Village.
August, 1899.	600.

THE experiment made in 1898 by the Grayshott and District Refreshment Association, Limited, of which Sir Frederick Pollock, Bart., is the president, marked in some respects a new departure in the attempt to apply the principles of the Gothenburg system to the management of the liquor traffic in this country. In all previous attempts a benevolent despotism had been present to assist either in the promotion or the management of the undertaking, the owner of the estate or the local clergyman being responsible for the licence. The Grayshott experiment began on strictly co-operative lines, the villagers themselves taking up many of the shares. It was also the first house in England<sup>1</sup> to receive a *new* licence for the express purpose of an experiment on Gothenburg lines.

<sup>1</sup> The Hill of Beath tavern in Fifeshire was an earlier instance. The Elan village canteen, although established much earlier than the Grayshott experiment, was not an ordinary public-house.

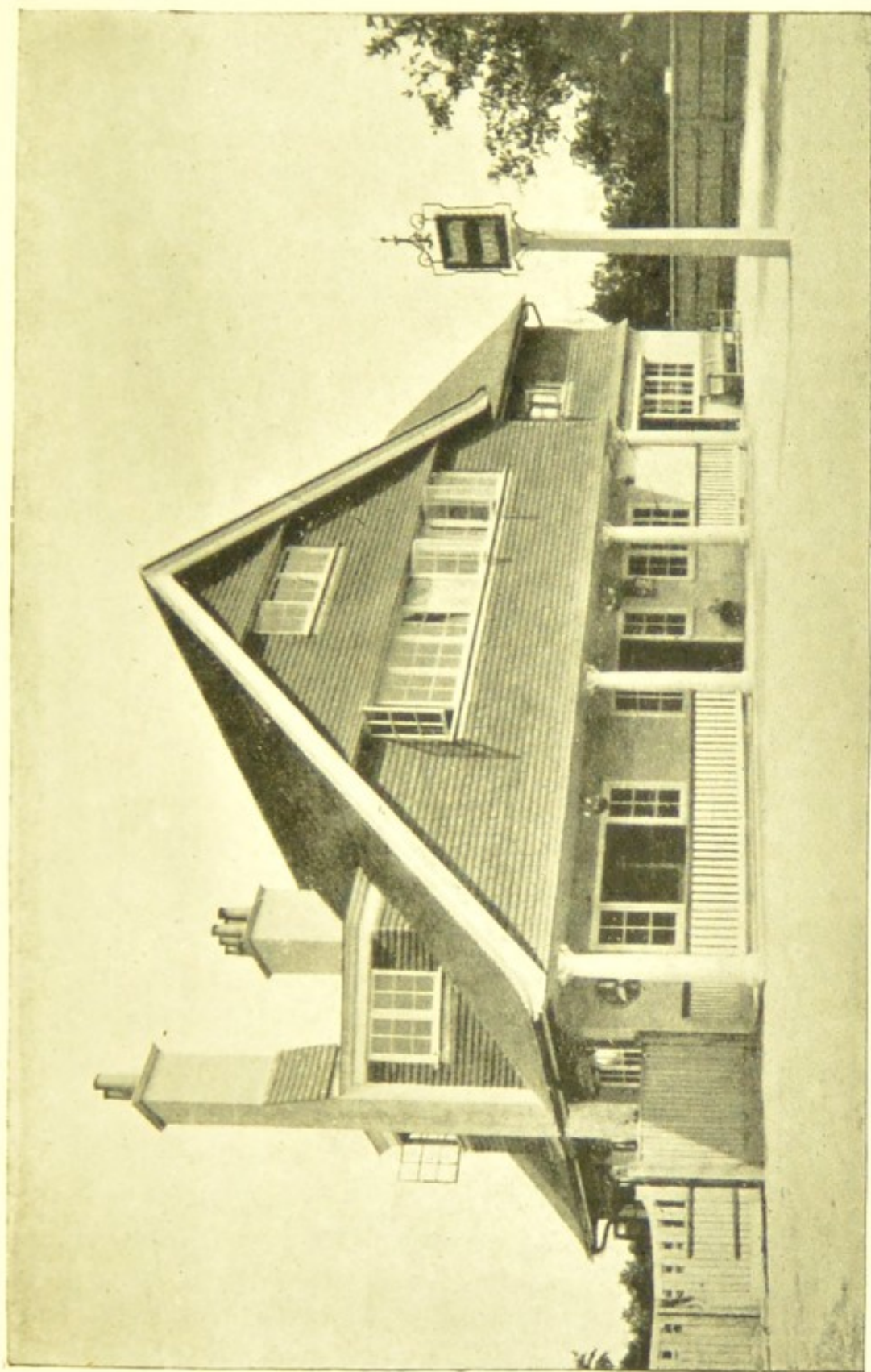


The history of the experiment is clearly set forth in a statement issued by the Committee of the Grayshott Association in 1899, from which a few facts may be quoted. In the winter of 1897-8 the rapid growth of the village of Grayshott and the surrounding district forced upon the attention of residents much interested in its welfare the question of public-house accommodation, as it was felt that very soon application would be made, from one quarter or another, for permission to open a fully licensed house. Some time previously, when the place was much smaller, an off-licence had been granted, but it seemed to the large majority of those interested that, if a fully licensed house were to be opened in the village, it would be in every way desirable that it should be one in which no prominence should be given to the sale of alcoholic drinks, but rather a refreshment-house in which alcoholic liquors of the best quality should always be obtainable, but where food and non-alcoholic beverages of good quality and at moderate prices should also be freely provided and their consumption encouraged.

“Preliminary meetings were therefore held, information from various quarters procured, the assistance of the People’s Refreshment-House Association enlisted, and, as a first practical step, the purchase of the plot of land on which the “Fox and Pelican” stands secured. Subsequently the Grayshott and District Refreshment Association, Limited, was registered under the Industrial and Provident Societies Act, 1893, with a capital of £2,500, and subscriptions solicited.

“So sympathetic was the feeling as to the importance of the project that liberal applications for shares were speedily received, and, in preparation for the licensing sessions of the Alton Bench of magistrates in September,





*Photographed by Alfred Seeley.]*

“THE FOX AND PELICAN,” GRAYSHOTT, HANTS.





1898, plans of a house suitable for the business contemplated were prepared. At those sessions, on September 6th, the application was heard, preceded by an application by an Alton firm of brewers for a similar licence for a house to be erected on a plot of land adjacent to that belonging to the Association. The magistrates, after hearing evidence in support of both applications, decided to grant a licence to the Association and to refuse one to the Alton firm, and in due course the licence was confirmed by the County Licensing Committee.

"Thereupon building operations were proceeded with as speedily as possible, and early in July, 1899, the building was practically ready for occupation. After some slight delays incidental to the starting of a new business, the house was formally declared open by Mrs. Randall Davidson (in the unavoidable absence of the Bishop of the Diocese), at an afternoon reception on Wednesday, August 23rd, 1899, and on Monday, the 28th, business commenced."

The whole of the capital (£2,500) was subscribed either locally or by friends of residents, and the full amount has been practically absorbed by the purchase of land, erection of house and stables, furnishing, etc. The Articles of Association expressly provide that no dividend exceeding 4 per cent. per annum shall be paid to shareholders, and that, while making provision for a reserve fund not exceeding in amount 25 per cent. of the Company's capital, the balance of profit shall be applied to such charitable, educational, or other legal purposes as the shareholders at a general meeting may from time to time decide upon.

The house is artistically designed and thoroughly well built, and is fitted and furnished throughout in excellent taste. In addition to the bar (the passage of which is



said to get crowded at night) there are several good rooms, including a tap-room, smoke-room, coffee-room, and (upstairs) a well-furnished ladies' sitting-room. The tap-room is a comparatively plain room, about 18 ft. by 16 ft., furnished with fixed wall-benches and a table. The smoke-room is about the same size as the tap-room, but with superior appointments and fittings. Draughts and dominoes are provided, and there is also a good library. Only the better-class liquors are served in this room. The coffee-room, which has a separate entrance, is a fine room, 33 ft. by 15 ft. in size, and well and tastefully furnished. It is chiefly used by cyclists and tourists. The rooms as a whole entirely justify the claim made by the Association that "the accommodation provided for all classes is the result of much thought and care on the part of the architects and committee."

The principles upon which the house is conducted are very similar to those adopted by the Bishop of Chester's Association, upon which, indeed, they are avowedly based. The manager is paid a fixed salary, and receives no commission upon the sale of intoxicants. He is, however, allowed the whole of the profits on food and one-half of the profits on mineral waters, in addition to all profits on tobacco and cigarettes. The proportion of food sold is small, and is much less at the present time than it was under a former manager, who was accustomed to sell as many as twenty sixpenny dinners a day in the tap-room. The sale of non-alcoholic beverages is also comparatively small, although those responsible for the management of the house are clearly eager to encourage the sale of such drinks. It is probable that in these respects the experiment has suffered from the frequent changes in management, which have prevented strict continuity of policy. The "off" sales are also small, and development



in this direction is evidently discouraged. No credit is given, and no provision is made for clubs, etc. It is also an interesting circumstance that the committee have been able to introduce a lighter beer than that sold in other houses in the district. Indoor games, such as draughts, dominoes, etc., are encouraged, but they are not used to any great extent. A few newspapers are also provided. In connection with this feature of the management it should be pointed out that there is at present no reading-room or social institute in the village; but a village hall is about to be built, and this, when ready, will make such provision on the part of the Refreshment-House Association as unnecessary, as, in the judgment of the present writers, it is undesirable. In view of the efforts needed to break what has become a dangerous and tyrannous national habit, the association of games and other recreations with the sale of intoxicants is surely to be deprecated and discouraged.

No effort is made to establish bye-laws in advance of the present statutory regulations, although an attempt was originally made to reduce the Sunday hours by closing at 8 p.m. This effort, however, was resented by a portion of the population, and the new rule was quickly abandoned. Similarly, a tentative experiment was made some time back to establish a "Black List" (*i.e.* a list of persons of notoriously drunken habits), but it was not found to answer in practice, and was therefore discontinued. There are, however, a few persons whom the manager is instructed not to serve. The general position assumed in reference to these and similar reforms by those responsible for the house is that, where, as in Grayshott, the liquor influence is strong and active, and everything in the nature of an innovation is eagerly seized upon and used to arouse prejudice and hostility



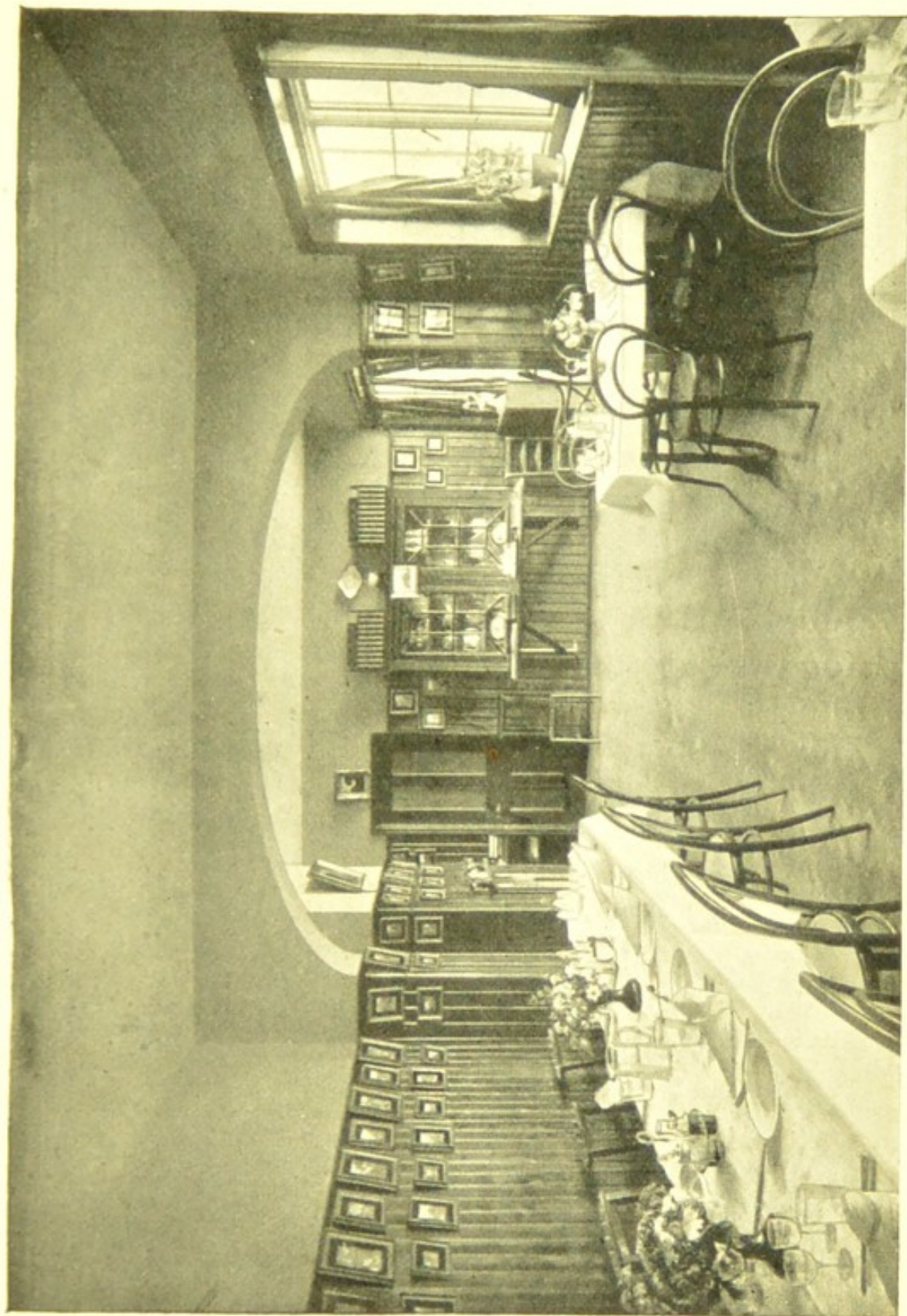
against the movement, it is risking too much to impose regulations in advance of the licence law. It is necessary to remember that the Association has not a complete monopoly of the local traffic, but only of the "on" trade.<sup>1</sup> In addition to the "Fox and Pelican" there is an "off" beer-house in the village, as well as two grocers' licences, while it is a not unimportant fact that the site adjoining the "Fox and Pelican," for which a full licence was sought by a firm of brewers at the time the Association was formed, still remains in the possession of the brewers who applied for the licence.

These facts, together with the additional fact that the district appears to contain a somewhat unusual proportion of lawless spirits in its population, must be carefully borne in mind in estimating the success of the Grayshott experiment. That it has not realised all the expectations of its promoters they themselves freely acknowledge. The experiment has been handicapped throughout by a not always scrupulous opposition on the part of the least reputable portion of the inhabitants; and the committee has, moreover, been singularly unfortunate in its managers. But the intention that underlies and governs the experiment is unquestionably single and sincere, and when all limitations and imperfections are allowed for, it is incontrovertible that the interests of temperance in the district are much more securely safeguarded than they could have been if an ordinary public-house had been allowed to be established in the village.

The situation is well expressed in a letter which the Rev. J. M. Jeakes, a member of the committee, addressed to one of the present writers in May, 1901. Mr. Jeakes says: "I am very glad that you have seen the "Fox and

<sup>1</sup> The nearest fully licensed house is a mile away.





*Photographed by Alfred Seeley.*]

COFFEE-ROOM, "FOX AND PELICAN," GRAYSHOTT, HANTS.





Pelican." The conditions under which this experiment is made are, I think, exceptionally difficult; but the difficulties we have passed through do not at all alter my conviction that we are, in the main, on the right track, and that we did the best we could do under the circumstances, in view of the great probability of a tied house entirely out of our control." Looked at from this point of view simply, the efforts of Sir Frederick Pollock and his colleagues are completely justified.

On its commercial side the experiment has been entirely successful. The financial statement for the first thirteen months (*i.e.* August 28th, 1899, to September 30th, 1900) showed a balance of profit on trading account of £213 11s. 3d. Of this sum £99 14s. 1d. was set aside for depreciation of furniture and buildings and one-third share of preliminary expenses, leaving a net balance of £113 17s. 2d. Of this amount £99 9s. 7d. was absorbed in payment of a dividend of 4 per cent. on the paid-up capital of the company, leaving a final balance of £14 7s. 7d. to be carried forward to next account.

## CHAPTER V

### The Elan Valley Canteen, near Rhayader, Radnorshire

Date opened.	Average Number of Men Employed.
September, 1894.	1,200 to 1,500.

The Elan Valley experiment, the first of its kind in the United Kingdom, owes both its origin and its success to the practical wisdom of the Waterworks Committee of the Birmingham Corporation. It was established in September, 1894, to meet the requirements of the men employed upon the construction of their new reservoirs near Rhayader. To accommodate the navvies and others employed, the Committee had practically to construct a village some three or four miles from Rhayader, and the supply of liquor at once became an urgent problem. Prohibition was felt to be impracticable, so that the only alternatives open to the Committee were either (1) to let or lease a building to a private publican in the ordinary way; or (2) to themselves apply for a licence and establish a canteen on their own property. The first of these alternatives, although simpler, was open to grave objection. While the publican, as the tenant of the Committee, would to a large extent have been under their control, it was nevertheless felt that if the house "were run as a



trade venture in the interests of the publican, his own interest doubtless would be to promote rather than to restrict the sale of drink." The second alternative was therefore chosen. The Committee accordingly applied for a licence, which was granted subject to certain special terms which the Committee itself suggested. The chief of these conditions was that the canteen should be placed in charge of a manager who should be paid a fixed salary and have no direct or pecuniary interest in the sale of intoxicants. The second main condition related to the hours of sale, the Committee not wishing to open during the whole of the usual public-house hours.

The conditions governing the experiment are, of course, in certain important respects exceptional and more than usually favourable to success. In addition to a certain benevolent despotism which the Committee (unlike a voluntary company, such as the People's Refreshment-House Association) is free to exercise, the works are to a large extent isolated. Rhayader is three or four miles distant, and access to the works, which are situate on the left bank of the river Elan, is completely under the control of the Committee. The only approach for vehicles is by a suspension bridge which the Committee itself constructed, while a narrow footway leading to a foot-bridge at the other end of the village is the only other means of access. The public have no right of way, and tradesmen from the neighbouring town are only allowed to use the suspension bridge on the express undertaking that they will not introduce intoxicants into the village. Moreover, the bridge-keeper has instructions to examine every cart. It is an interesting fact that so far there has been no shebeening.

The monopoly enjoyed by the Committee is, nevertheless, not quite complete. On the other side of the river,



but at a comparatively short distance from the village, is the Elan Hotel,<sup>1</sup> a fully licensed house, which is said to be much frequented by the men from the works.<sup>2</sup> The licence for this house was applied for when the Birmingham Corporation first began its works, and although the Corporation applied to be heard in opposition to the licence, the magistrates refused to hear its representatives, but granted the licence despite their protest. It is undoubted that the close proximity of this house militates against the complete success of the canteen experiment. As a fully licensed house it does so directly in respect of the sale of spirits. At the canteen itself no spirits are sold, the sales being strictly confined to beer and mineral waters. The sale of the latter is, however, exceedingly small.<sup>3</sup> There is no sale of food. It was at first proposed to sell tea, cocoa, and other similar beverages, as well as food, in the canteen, but the idea was relinquished owing to the absence of any demand for them. The selling price of the beer (5d. per quart) is fixed by the market price in the neighbourhood.

Orders to the brewers are sent direct by the Secretary of the Waterworks Committee, who charges the goods at *selling prices* to the manager of the canteen. Stock

<sup>1</sup> The distance separating the Elan Hotel from the village canteen is, by way of the suspension bridge, exactly a mile; but from the right-hand end of the village it is little more than half a mile.

<sup>2</sup> The Secretary of the Waterworks Committee, in his evidence before the Royal Commission on Liquor Licensing Laws (July 5th, 1898), estimated that the sum spent by the men at the Elan Hotel, and at the public-houses in Rhayader equalled in amount the takings of the canteen.

<sup>3</sup> The Secretary of the Waterworks Committee stated that out of a total week's takings of £104 18s., only 7s. 6d. was derived from the sale of mineral waters.



is taken each week on specially prepared forms. The canteen manager, according to the Secretary's statement, "quite understands that he is thought no more highly of if his sales are high than if they are low, whereas should there be any disturbance or drunkenness he would be held responsible for it." To ensure the good quality of the beer sold, the Committee has established a system of taking samples of all the beer in the canteen at irregular times without notice to the canteen manager. In response to a private order from the Secretary of the Waterworks Committee, a man attends at the canteen and takes samples. The bottles are then sealed in the presence of the canteen manager and sent to Birmingham, where they are submitted to the examination of a brewing expert.

#### GENERAL REGULATIONS

The management of the canteen is governed by a series of regulations of quite exceptional stringency :

1. No credit is given.
2. Music, games, etc., are strictly prohibited.
3. The hours of sale are severely restricted. The canteen is open on ordinary week-days (*i.e.* Monday to Friday) from 12.30 p.m. till 2 p.m., and from 5.30 p.m. till 9 p.m. On Saturdays it is open from 1 p.m. till 4.30 p.m., and from 5.30 p.m. till 9 p.m. At first it was kept open continuously on Saturdays from 1 p.m. till 9 p.m., but it was found that there was a tendency on the part of the workpeople to remain too long in the canteen, and so the canteen was closed between 4.30 and 5.30 p.m. It was originally proposed to open the canteen for half an hour in the morning on each week-day, and provision for this was made in the scheme



of management sanctioned by the magistrates, but ultimately it was not found necessary to do so. There is no sale on Sunday, the licence being governed in this respect by the Welsh Sunday Closing Act.

4. The quantity of beer to be served to any one customer is strictly limited, the rules providing that no person shall be allowed more than two quarts of beer during the evening for consumption on the premises, nor more than one quart during the dinner-hour. The total quantity which a customer can thus purchase during the day is three quarts. The Secretary states that, in practice, it is found impossible in the rush of business to keep an eye upon every individual customer, and it may sometimes happen that in the "great rushes" of trade this rule is sometimes evaded, but, speaking generally, it is enforced.

In the case of "off" sales the rules provide that "no hut-keeper [*i.e.* a workman in whose hut from eight to ten other workmen are lodged] shall be supplied with more than  $1\frac{1}{2}$  gallons of beer in any one evening, nor with more than 2 gallons for the mid-day meal from the jug department, except on Saturday evening, when a hut-keeper may purchase double the quantity." The latter proviso is to cover Sunday consumption, the canteen being closed on that day.

5. It is further provided that "no person who is in the slightest degree intoxicated shall be supplied with drink on any pretence whatever." This rule is said to be enforced absolutely and without regard to the quantity of beer which a man may have had.

6. Women are not allowed to enter the bar, but are strictly confined to the jug department, where only "off" sales are made. The total number of women in the village is not more than from 120 to 150.



7. An "age limit" is imposed both for "on" and "off" sales. In the case of the former the rules provide that only men *above the age of eighteen* shall be allowed to enter the bar; and in interpreting this rule the management "leans to the side of strictness rather than to the side of laxity." In respect of "off" sales the rules provide that no boy under the age of sixteen, nor any woman under the age of twenty-one, is to be served with beer or porter in the jug department.

#### COUNTER-ATTRACTIONS TO THE CANTEEN

As already pointed out, no music, games, or other attractions are allowed in the canteen; but a public hall or recreation-room has been built near to, but entirely separate from, the canteen, and there newspapers, magazines, games, and amusements of various kinds are provided. A supply of non-intoxicating drinks was also formerly on sale there, but the demand for them was apparently not great. This room is said to be "a great success" and "tends to minimise the drinking in the saloon." The Secretary of the Waterworks Committee, in his evidence before the Royal Commission on Liquor Licensing Laws, stated he knew that "in many individual cases men who had been addicted to drink, having had the means provided them of spending their evenings in a more rational way, had been kept away from the drink."

#### FINANCIAL RESULTS

On its financial side the experiment has been an unquestionable success, and is said to make "a very considerable profit." For the three and a half years ending March 31st, 1898, the gross profits amounted to



£5,450, and the net profits to £3,262. The ratio of *net profit on takings* was 22 per cent. This latter figure is noteworthy in view of the heavy cost of carriage and the further fact that an eighth part of the total capital outlay is annually written off the profits. The average percentage of profit on capital invested was slightly over 93 per cent. per annum. These surplus profits are devoted to the maintenance (wholly or in part), of the various village institutions, of which the chief are the day school, the public rooms (including the free library, reading-room, and recreation-room), and the hospital.

#### GENERAL RESULTS

In its general results the experiment has certainly justified the policy of the Committee. There has been very little disturbance, and only on one occasion, or at most on two, has the management had to have recourse to the power which it reserves to itself of closing the canteen. "Very shortly after the house was opened," said the Secretary of the Waterworks Committee in his evidence before the Royal Commission, "we had to close it on one night. Our people had not then been got to realise the lines on which it was intended the public-house should be conducted, and they began to comport themselves as one would suppose they would do in an ordinary public-house. We immediately cleared them out and closed it. Since then we have had no trouble."

There have been cases of drunkenness, but these have been comparatively few, and in general orderliness and sobriety the settlement is said to compare "extremely well" with similar settlements in other places. The Chief Constable of the county, writing in October, 1896 (two years after the opening of the canteen), said:



"Drunkenness in the Elan village is undoubtedly suppressed through the stringent rules and measures adopted by the canteen; and, further, I have no hesitation in saying that it is attributable to those regulations."

In June, 1898, he wrote again as follows: "Drunkenness has slightly increased in the village; I do not, however, think it is attributable to any bad management of the canteen. I still adhere to my former opinion expressed in my letter to you, dated October 5th, 1896."

The slight increase in drunkenness referred to (of which the letter quoted above was the first intimation received by the Committee) may or may not have been attributable to the canteen. The probability is that it was not, for it happened to coincide with an actual falling off in the takings of the canteen.

It is interesting, finally, to notice that while the rules and regulations of the canteen have been altered slightly from time to time according to circumstances, such changes have always brought the management more and more within the original conditions laid down when the Corporation first applied for the licence.

## CHAPTER VI

### Scargill Waterworks Canteen, Harrogate

Date opened.	Average Number of Men Employed.
September, 1898.	350.

ONE of the most interesting of the experiments that have come under the personal observation of the present writers is that carried on by the Waterworks Committee of the Harrogate Corporation in connection with their works at Scargill, six miles from Harrogate. The experiment has much in common with the canteen established by the Birmingham Corporation at their works in the Elan Valley, Rhayader, but was started without knowledge of that experiment.

In beginning the construction of reservoirs at Scargill, nearly three years ago, the Waterworks Committee found themselves compelled to provide the men employed upon the works, numbering sometimes as many as five hundred, with facilities for purchasing beer. The nearest public-house was two and a half miles away, and the men refused to work unless nearer facilities were provided. It occurred to Alderman Fortune, the chairman of the Waterworks Committee, that the circumstances furnished a good opportunity for an experiment on the lines of the Gothenburg system, and, the Committee approving, a



large canteen (with additional but separate accommodation for a general store) was accordingly erected, and a manager appointed to conduct the business on clearly defined lines.

The ends aimed at are : (1) to restrict as far as possible the sale of intoxicants, and (2) absolutely to eliminate private profit from such sale. Alderman Fortune, to whom the success as well as the inception of the experiment is chiefly due, has from the first strenuously set himself against any arrangement likely, directly or indirectly, to interfere with the full attainment of these ends.<sup>1</sup>

Beer is the only intoxicant sold, spirits being expressly excluded. The manager receives no commission on the sale of beer, but is allowed to sell for his own profit all kinds of food, as well as tea, coffee, mineral waters, etc. In addition, he is paid a fixed salary and provided with a house, coal, and light. He is not allowed to purchase the beer nor to fix the price at which it is sold. It is invoiced to him at selling prices, a small allowance being made for waste.

The hours of sale are severely restricted. The canteen is open on the ordinary week-days from 9 a.m. to 9.30 a.m., 12 noon to 1 p.m., and from 5 p.m. to 8 p.m. On Saturdays the hours are from 9 a.m. to 9.30 a.m., 12 noon to 2.30 p.m., and from 6 p.m. to 8 p.m. On Sundays it is open from 12.30 p.m. to 2.30 p.m. and from 6 p.m. to 8 p.m. At first the final hour of closing on week-days was 10 p.m.; it was subsequently altered to 9 p.m., and is now 8 p.m. If circumstances appear to demand it,

<sup>1</sup> It is a noteworthy illustration of the consistency with which these aims have been pursued, that when some months ago Alderman Fortune discovered that one of the brewers, acting in conformity with a trade custom, had given the manager of the canteen a Christmas present, he at once gave instructions that no further orders were to be sent to that brewer.



the manager is instructed to close still earlier. On "Mafeking" day, for example, the canteen was closed early in the afternoon, and kept closed for the remainder of the day. It is also kept closed after the annual dinner at Christmas. In this respect the management is closely modelled upon the practice of the Norwegian companies.

The manager is not allowed to serve beer at other than the recognised hours, nor is he, under any circumstances, permitted to send beer to the men at work; but he may send tea, mineral waters, and other temperance drinks. During a spell of hot weather last summer the men petitioned to be allowed to purchase beer during work hours. Alderman Fortune refused the petition, but gave instructions for oatmeal water to be freely supplied to men who desired it.

It is interesting as an indication of the extent to which temperance drinks are sold that the manager sells from forty to fifty pints of tea a day. At the time of our visit he was also selling a fair quantity of mineral waters, chiefly, however, in conjunction with beer. He stated that the sale of mineral waters could not be "pushed" to any considerable extent; the men "know what they want," and "resent being interfered with" in respect of their orders.

No one is served with beer who shows the least sign of drunkenness, and it is an interesting fact that so far not a single case of drunkenness has been traced to the canteen. There have been a few cases of drunkenness in the village, but inquiry has shown that these were always attributable to spirits purchased elsewhere.

The canteen itself is a somewhat rude wooden structure with a concrete floor and furnished with benches and tables. The bar proper is a plain compartment stretching



across one end of the building, and is only used for supplying the orders. Liquor is not consumed at the bar.

There appears to be very little "off" sale, but what there is is carried on at a window in a separate part of the building, so that children or others fetching the beer have no contact with the bar. Women are not served in the canteen. The number of women and children at the colony is, however, small.

No credit is given, nor are any games allowed in the canteen. A small mission-hall has been erected by the Committee, and is used on week-evenings as a reading-room and institute for the men, and in the mornings as a school for the children. A missionary lives at the settlement, and one-third of his salary is paid by the Committee. The reading-room is supplied with daily and weekly newspapers and magazines, and a bagatelle-board and other games are provided. During the winter a fortnightly concert is given.

The balance-sheet of the canteen for the year ending March 25th, 1900, showed a gross profit of £826, and a *net* profit of £720. Last year (*i.e.* year ending March 25th, 1901) the gross profits were £886, and the *net* profits £799. The percentage of *net profit on takings* was, in the former year, 31 per cent., and in the latter 38 per cent. It should be noted, however, that nothing is charged against the canteen in respect of rent and lighting. The method of appropriating the profits is hardly satisfactory—too small a proportion, in the judgment of the present writers, being devoted to recreative agencies and other counter-attractions to the canteen. Some of the appropriations (as, for example, the £200 devoted last year to the payment of compensation for injuries received by workmen employed on the works, and the £82 spent on pensions to old servants) also

partake too much of the character of relief to the rate-payers. But this is the only serious criticism to be urged against what is in the main an admirable and useful experiment. No better proof of its general success could be given than the fact that, although the works have been in progress for nearly three years, the services of a police officer have not yet been required. The absence of competition is, of course, an important factor in its success.



## CHAPTER VII

### Public Management in Scotland

SINCE 1895, when the Aberdeen proposals called public attention to the question, suggestions for the public management of the liquor traffic have received increasing support in Scotland, where several important experiments are already in active operation. The earliest of these owed its inception to Mr. Charles Carlow, the managing director of the Fife Coal Company, Limited, but it was left to Mr. John Ross, a well-known educationist in Dunfermline, who is solicitor to the Fife Coal Company, to develop and extend a tentative experiment by organising the present public-house societies in Fifeshire.

#### THE HILL OF BEATH TAVERN, NEAR CROSS-GATES, FIFESHIRE

Date established.	Estimated Population of Village.
June, 1896.	1,300.

The first of the experiments referred to above was that established in 1896 at the Hill of Beath, a small colliery village in Fifeshire. The village was built and is owned by the Fife Coal Company, Limited, who rent the cottages to the miners in their employ. The miner's tenancy of a cottage ceases with his employment.



The present public-house is situate just outside the village proper (*i.e.* outside the property of the Coal Company), and was erected by its original owner for the express business of a public-house, and he evidently chose the site in order to escape the control of the Fife Coal Company. He appears to have made unsuccessful application for a licence on two occasions, and the Fife Coal Company, believing that a licence was inevitable, decided to transform certain of their cottages into a small public-house, and themselves to apply for a licence. The first application (made in 1895), although supported by the Chief Constable, was refused by eleven votes to nine, and the matter remained in abeyance until the following year, when the Fife Coal Company again made application for a licence, a similar application being made by the owner of the private premises. Mr. Carlow, in support of the Fife Coal Company's application, stated that, in the event of the licence being granted, the Company would restrict themselves to a dividend of 4 per cent. on their outlay, the balance of profit being spent for the benefit of the village. In the result a licence was granted to the Company by eleven votes to eight. The owner of the rival house, evidently feeling that he no longer possessed any chance of obtaining a licence, subsequently sold his premises and all fittings to the Fife Coal Company for £1,500, and the Company at once transferred the business from their own house in the centre of the village to the present premises. Until the end of last year (1900) the public-house was managed by a committee of five, three of whom were representatives of the Company, and the remaining two were elected by the miners themselves. This committee seems to have been somewhat careless in its appointments and arrangements, and two successive managers proved unsatisfactory. In December,



1900, however, the Hill of Beath Tavern Society, Limited, was formed, part of the capital of which was subscribed by the miners themselves, and the Fife Coal Company sold the public-house to this Society for £1,200. This sum included not only premises, fittings, stock, furniture, but also a balance of nearly £300 in the bank.

The objects which the Society sets before itself in its printed rules are "to carry on, in or near the village of Hill of Beath, in the county of Fife, the businesses of innkeepers, publicans, alehouse-keepers, café-, and restaurant-keepers, manufacturers of aerated waters and such other commodities as may be agreed upon by the members from time to time, and purveyors and caterers for public entertainments and amusements." The capital of the Society is raised in shares of £1 each. No member other than a registered society may hold more than £200 worth of shares. Each shareholder is allowed one vote in respect of his holding and irrespective of the total amount of his shares. Shares are entitled to a dividend not exceeding 5 per cent. per annum. The surplus profits, after making provision for (1) depreciation of assets, (2) a reserve fund for the redemption of capital, or other purposes, if the committee of management resolve to establish such, and (3) share dividends, are to be applied "to such purposes of public or *quasi*-public utility in the village of Hill of Beath or neighbourhood as the Society in general meeting may from time to time determine."

The management of the Society is vested in a local committee composed of six members and the Secretary. The chairman of the present committee is the manager of the Fife Coal Company's works, and the rest of the committee are working men. The executive work is in the hands of the Secretary, who receives a small salary, and who, subject to the committee, orders and pays for



all liquors. The promoters seem to have been somewhat unfortunate in the appointment of their first Secretary, but the present Secretary (Mr. W. Keir, who is an employé in the office of the Fife Coal Company) appears to be thoroughly in sympathy with temperance ideas and work, and although he only entered upon his duties in March of this year, he has already accomplished several valuable improvements. One of his earliest acts was to induce the committee to close the house at 9 p.m. instead of 10 p.m. as formerly. The manager of the public-house receives a fixed salary (£2 per week), with free house, coal, and light. He is allowed the assistance of two helpers, a lad and a woman, both of whom are paid by the committee. The woman helper is not allowed to serve in the bar. By way of security for fidelity, the manager is required to take shares in the Society to the amount of £50, the share certificate, together with a signed transfer of the shares, being deposited with the Secretary. In his agreement with the Society the manager binds himself "to carry out all the instructions of the committee of management, to secure the good conduct of the business and the diminution of excessive drinking, and he binds himself strictly to conform to all the conditions on which the licence is held, and not to contravene these in any respect. He binds himself particularly not to supply liquors to intoxicated persons or to suffer persons in a state of intoxication to remain on the premises." He further binds himself "to refuse all perquisites whatsoever, and to report to the committee the names of any merchants who may offer perquisites to him or inducements to deal with them." He has nothing to do with the ordering of the liquors; they are ordered by the Secretary, who invoices the liquors to him at selling prices. The present manager appears to be a thoroughly



respectable man, and fully capable of carrying out any policy that the committee may decide upon.

The public-house itself is a good building and superior to the ordinary public-houses in the district. It contains five or six plainly furnished rooms downstairs, all of them provided with seats, and a better furnished room upstairs for the accommodation of travellers, cyclists, etc. As already pointed out, it was originally erected as a private public-house, and was only sold to the Fife Coal Company when the man who built it failed to obtain a licence. The house is the only licensed house in the village; but there are several public-houses in Crossgates, which is less than half a mile away, and it would seem to a stranger that they are sufficiently near to have rendered the house at the Hill of Beath unnecessary. There can be no doubt that the experiment is prejudiced in the eyes of temperance people in the district from the fact that its establishment meant an additional public-house; but the responsibility for this is perhaps not strictly to be laid upon the Fife Coal Company, since there appears to be a general opinion that, if they had not taken action, a licence would have been granted to a private publican sooner or later.

No games or other amusements are allowed in the house, nor is any credit given. There is no explicit rule in respect of sales to children, but the manager stated that he refuses to serve very young children, and suggested thirteen as the age below which he would not serve. No attempt is made at a "Black List," but it is said that such a list is unnecessary, owing to the fact that all the regular customers are in the employ of the Fife Coal Company, and a man could at once be dismissed if he were guilty of disorder. No provision is made for clubs, nor is there any stable accommodation for



carts, etc. The hours of sale are from 8 a.m. to 9 p.m.; the house is thus closed an hour earlier than the public-houses in Crossgates, the change dating from the appointment of the new Secretary in March last. This reform is said to be possible because the house is the only one in the Hill of Beath. Owing to the Forbes-Mackenzie Act, there is no sale on Sunday.

A general public-house trade is done, spirits being sold as well as beer. The purchases of liquor show that about one gallon of spirits is sold to six gallons of beer. There is a fair "off" trade, the same prices being charged as for "on" sales. The trade in mineral waters is relatively small, and there is little demand for food.

#### COUNTER-ATTRACTIONS TO THE PUBLIC-HOUSE

These consist of (*a*) a reading-room and institute, and (*b*) a bowling-green, both of them separate from the public-house. The institute has 110 members, which, considering that the total population of the Hill of Beath is not more than 1,200 or 1,300, is a fair proportion. A yearly subscription of sixpence per member is charged. The Public-House Society has, however, in the course of erection a much larger and better building, which it proposes to open as a new institute to take the place of the present inferior building. The new building, which will be ready by the autumn, will cost fully £1,000, a sum which seems small considering the character and quality of the building. The institute will consist of four good rooms, one of which will be devoted to the loan library, another will be fitted as a good reading-room, and a third will be supplied with two billiard-tables and also furnished with side-tables for other games, such as dominoes, draughts, etc. There



will also be a temperance bar in the building. The building is certainly a good one, and, so far as it goes, will well carry out the idea of a counter-attraction to the public-house.

The bowling-green is also to be strongly commended. It is situated in a central part of the village, and covers a moderately large piece of ground given by the Fife Coal Company. The sides and one end are stocked with shrubs and plants, and give a pleasing effect, while the green itself is about as perfect as a bowling-green can be. There is a well-built pavilion, where the bowls, etc., are kept.

It is important to note that the counter-attractions are entirely separate from the public-house, where no games of any sort are carried on. In each case the counter-attraction is a good distance from the public-house. In this connection we may note a statement made by Mr. John Ross, the chief promoter of the Fifeshire Public-House Societies, when discussing the subject with one of the present writers. Mr. Ross stated that he had originally proposed to associate the games and recreative features of the experiment with the public-house on the lines originally proposed by the Bishop of Chester, and now by Lord Grey, but that *the miners themselves* had represented to him that such an arrangement would not do, and that the recreation must be entirely separate from the sale of liquor.

#### STATEMENT OF RECEIPTS AND EXPENDITURE

The following statements give particulars of the receipts and expenditure of the public-house for the last three years. The third statement, it will be noticed, is for nine months only, owing to the change from the old



## 70 PUBLIC MANAGEMENT IN SCOTLAND

*régime* to the new, which began on January 1st, 1901. The figures thus relate in all cases to the earlier management of the house under the committee appointed by the Fife Coal Company.

## Year ending March 31st, 1899.

RECEIPTS.				EXPENSES.			
	£	s.	d.		£	s.	d.
Bar receipts ...	2,216	9	2	Stock on hand at end of previous year...	210	16	8
Stock on hand, March 31st, 1899 ...	240	6	8	Cost of liquors, etc.	1,413	17	6½
				Depreciation ...	25	0	0
				Working expenses	244	3	0
				Balance profit ...	562	18	7½
Total ...	£2,456	15	10	Total ...	£2,456	15	10

## Year ending March 31st, 1900.

RECEIPTS.				EXPENSES.			
	£	s.	d.		£	s.	d.
Bar receipts ...	2,344	1	1	Stock on hand at end of previous year...	240	6	8
Rent ( <i>i.e.</i> for a cottage on their property which is sub-let) ...	6	0	0	Liquors purchased	1,570	11	10
Stock on hand, March 31st, 1900 ...	219	13	9½	Working expenses	328	1	11
				Depreciation ...	27	1	4
Total ...	£2,569	14	10½	Balance profit ...	403	13	1½
				Total ...	£2,569	14	10½

## For the nine months ending December 31st, 1900.

RECEIPTS.				EXPENSES.			
	£	s.	d.		£	s.	d.
Bar receipts ...	2,156	16	8	Stock on hand at end of previous year...	219	13	9½
Rent of cottage ...	6	0	0	Cost of liquors ...	1,328	11	4
Bank interest ...	3	4	10	Working expenses	435	4	2
Stock on hand, December 31st, 1900...	265	15	0	Depreciation ...	21	18	9
				Balance profit ...	426	8	5½
Total ...	£2,431	16	6	Total ...	£2,431	16	6

The reduced profits in 1900 appear to be chiefly accounted for by the defalcations of the manager then employed, and we were informed that they are also



partly explained by the fact that formerly spirits were bought at distillery strength and reduced to selling strength by the manager. Now they are bought at selling strength, and only the better qualities are purchased.

#### APPROPRIATION OF PROFITS

The profits are devoted to various objects of public utility in the village, among which are the lighting of the village by electric light, the maintenance of the reading-room and institute, bowling-green, etc. The disbursements for these objects in 1898-9 and 1900 were as follows:

##### Year ending March 31st, 1899.

				£	s.	d.
Electric lighting of village	...	...	...	242	8	6
Bowling-green	...	...	...	124	0	0
Football-club	...	...	...	23	0	0
Singing-class	...	...	...	5	7	0
				£394	15	6

##### Year ending March 31st, 1900.

				£	s.	d.
Electric lighting of village	...	...	...	238	19	0
Bowling-green	...	...	...	357	3	5
Reading-room	...	...	...	94	9	9
Singing-class	...	...	...	6	13	10
				£697	6	0

##### For the nine months ending December 31st, 1900.

				£	s.	d.
Electric lighting of village	...	...	...	99	0	11
Bowling-green	...	...	...	48	14	6
Reading-room	...	...	...	77	5	8
Football-club	...	...	...	12	16	0
Singing-class	...	...	...	6	19	6
				£244	16	7

These objects were selected under the earlier *régime*, and the appropriation annually made for electric light is certainly questionable. Inasmuch as the Fife Coal Company are the owners of the village and, apparently, the sole ratepayers, they in the natural order of things must have borne the expense of lighting the village, so that the allocation of profits to this purpose, made when they had the control of the public-house, actually relieves them of rates they would otherwise have had to pay.<sup>1</sup> In any case the allocation of profits to this purpose is mischievous, being a direct subsidy in relief of rates. The other appropriations are of a character that can be heartily approved, this being especially so in the case of the bowling-green and the reading-room, which are direct and efficient counter-attractions to the public-house.

### GENERAL RESULTS

In estimating the general results of the Hill of Beath experiment it is necessary to distinguish between its present management and its past. Like all similar experiments, it has met with much criticism, some of it undoubtedly just, but a part of it unquestionably hasty and ill-founded. In the latter category must certainly be placed the suggestion made by outsiders, but discredited by temperance workers in the village itself, that the establishment of the house has been responsible for a decline in the activity of certain temperance societies, etc.,

<sup>1</sup> It is not of course suggested that the appropriation was deliberately designed to this end, but the *fact* of relief appears to be clear. It should, however, in fairness be noted that the Company, in disposing of the property to the new Society in December, 1900, appear to have acted with great generosity.



in the village. That the establishment of the house has not led to a diminution of drunkenness is perhaps true, as also the allegation that, by increasing the facilities for obtaining liquor, the establishment of the house has actually increased the amount of liquor consumed in the village; but the indisputable defects of the experiment as at present conducted appear to be of a negative rather than a positive character, and lie chiefly in the fact that there is little actual difference in methods of management between the Society's house and an ordinary well-conducted public-house. Certainly the restrictions aimed at and imposed do not appear to be as great as a somewhat exceptional opportunity would permit. Probably the objection which more than any other has influenced criticism against the experiment is the fact that it has introduced a public-house where no public-house previously existed, and where the neighbouring facilities appear to have been sufficient to meet any legitimate demand. Against this it is urged that in taking the action they did the Fife Coal Company did no more than anticipate events by keeping out a private licensee, and that from this point of view the question really resolves itself into one of choice between an ordinary public-house conducted for private gain and one from which the element of private profit has been eliminated. Without committing themselves to a definite pronouncement upon the question of fact here raised, but admitting its probability, the present writers feel compelled to acknowledge that a consideration of all the local circumstances (especially the close proximity of Crossgates, where licensed premises exist) induces in their minds a doubt of the wisdom and expediency of this particular experiment.



## THE KELTY PUBLIC-HOUSE SOCIETY, LIMITED

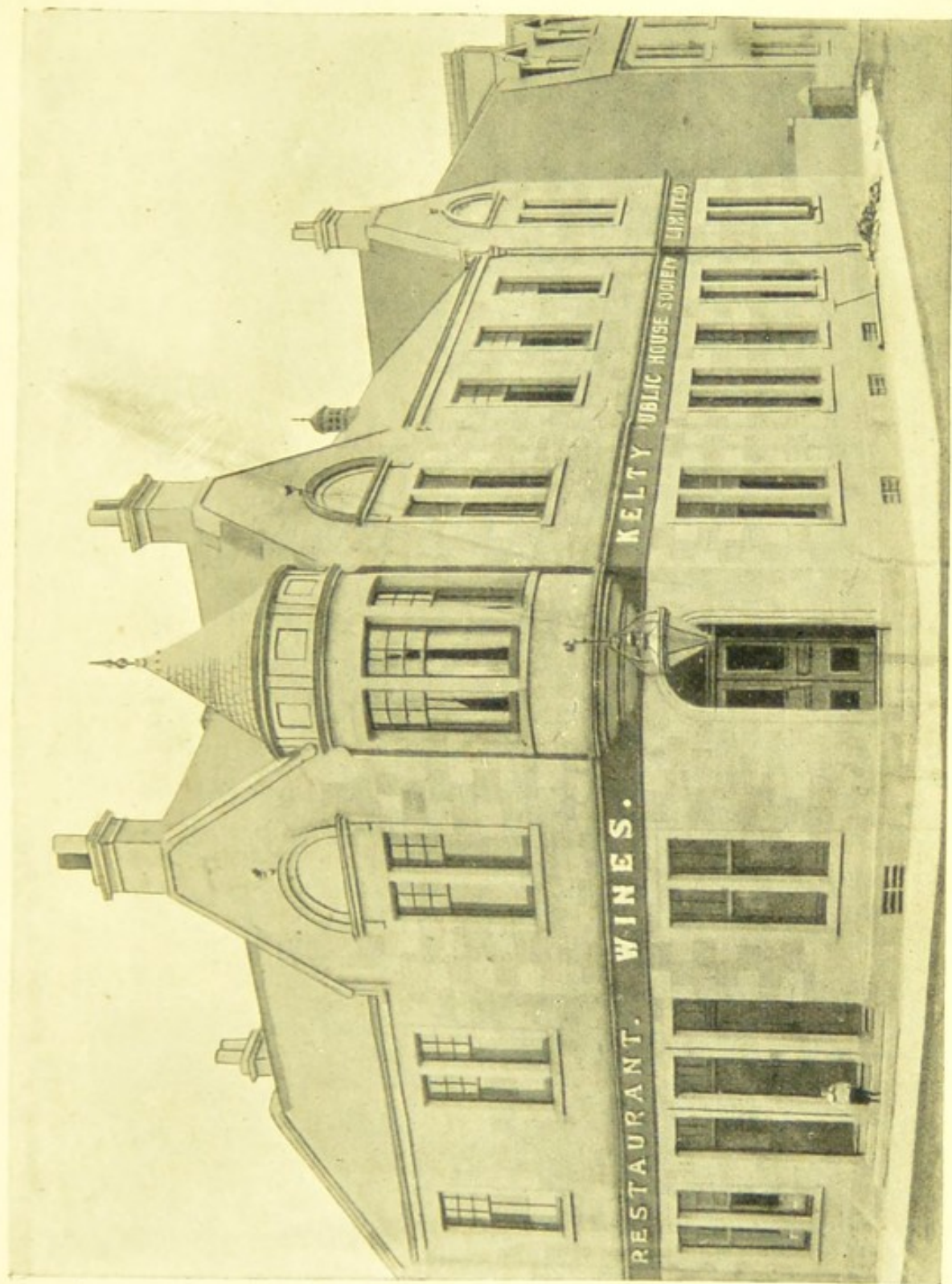
Date started.	Population of Village.
January 1st, 1900.	4,700.

The rules and constitution of the Kelty Society are so closely similar to those of the Hill of Beath Society that detailed description is unnecessary. The chief differences are: (1) that the share capital is raised in shares of five shillings each instead of £1, and (2) that the committee of management consists of eight instead of six members.

Kelty is another mining village belonging to the Fife Coal Company. Its population at the recent census was nearly 4,700. It is the centre of a very prosperous mining district, and work has been plentiful and wages high for some years past. A proof of this prosperity is seen in the fact that at one pit alone the daily output is from 1,600 to 1,800 tons of coal. The miners work eleven days a fortnight, and their wages range from 6s. to 7s. 6d. per day, while mere lads can earn from 2s. 6d. to 4s. per day. It thus happens that the family income is, as a rule, high.

The proposal to establish a "Gothenburg" public-house originated with Mr. John Ross, of Dunfermline. Mr. Ross paid a visit to Kelty in the autumn of 1899, and lectured on the Gothenburg system. Shortly afterwards a meeting was summoned to consider a definite proposal, which Mr. Ross then submitted, to establish a "Gothenburg" public-house in Kelty. The proposal aroused considerable local feeling, and encountered much opposition from religious and temperance people in Kelty, with the result that at the meeting the proceedings were somewhat excited. Mr. Ross's resolution failed to find a seconder, while a resolution against the establishment of the house was carried. In the end it was decided that a





KELTY PUBLIC-HOUSE SOCIETY'S TAVERN, KELTY, FIFESHIRE.





plebiscite should be taken on the question, and a committee was appointed for the purpose. The promoters of the new public-house were asked to co-operate by appointing to the committee a number of representatives equal to those appointed by the public meeting. This they declined to do, but the committee, nevertheless, included some who were in favour of the scheme who had been nominated at the public meeting. The question put to the voters was: "Are you opposed to the granting of a licence to the Kelty Public-House Company?" The result of the voting was as follows:

Opposed to licence—

Householders and resident voters <sup>1</sup>	...	...	...	318
Non-voters, men	...	...	...	124
„ women	...	...	...	296
				—
Total	...	...	...	738
				—

In favour of licence—

Householders and resident voters	...	...	...	153
Non-voters, men	...	...	...	117
„ women	...	...	...	111
				—
Total	...	...	...	381
				—

Majority opposed to licence ... 357

About 1,200 voting-cards were issued.

It seems unfortunate, in face of such a pronouncement, that the proposal was persisted in; at the same time it is highly probable that an additional licence would have

<sup>1</sup> This heading is said to cover resident parliamentary voters and such other male householders as had not qualified for the parliamentary vote.



been granted to Kelty in any case, so that the responsibility of thrusting an additional licence upon the place is not strictly to be charged against the promoters of the scheme. Practically everyone agrees (and the chief officer of the local police entirely endorsed this view in conversation with one of the present writers) that an additional licence had become almost inevitable owing to the pressure of trade at the other houses and the growing population.

The new public-house stands in an exceedingly good position, and is a substantial stone building much superior to the other public-houses in the village. It was built specially for its present purpose by the Kelty Public-House Society at a cost (including furniture and fittings) of £3,500. It is rated at £180 per annum. It has a large bar, with accommodation for a crowd of customers; also a small separate jug compartment, and four rooms off the bar. Upstairs there is a large room, 30 ft. by 20 ft., furnished with seventy chairs and used for Cricket-club dinners and teas, dinners of the local Burns Society, smoking-concerts, etc. There is also a restaurant room on the ground floor with a separate entrance from the street.

The house was visited on Thursday and Friday, June 13th and 14th, 1901. The latter day was the fortnightly pay-day, and we were told that the house would be well patronised. We visited the house at 9.40 p.m. The public bar was tolerably full of miners, and two men were also drinking in the private jug department. Trade was evidently brisk. The manager and two other men were serving in the bar, and the place was full of the loud voices usual in a busy public-house. The manager stated that they had been exceedingly busy all the evening. In addition to the general bar, the four rooms off the bar were also full, the orders from these rooms being taken



by two young women who were busily engaged carrying liquor between the bar and the rooms. At ordinary times the bar is served by the manager and his assistant, but when trade is busy the women-helpers also serve. They occasionally serve when trade is slack if the manager and his assistant happen to be in another part of the house when customers come in. The manager much dislikes the side-rooms off the bar, since he finds it impossible to keep them under his own personal supervision and control. He mentioned that he had "rushed out of the bar to get a flying look at them at least twenty times" that evening.

The manager is a fairly young man, smart and respectable, who has had previous experience of the public-house trade, and he evidently does his best to keep the place respectable. There are no special restrictions governing sale. He will not knowingly serve liquor to any man who shows signs of intoxication, and although there is no "Black List" or anything approaching to one, he is able in a broad and general way, from his knowledge of the place, to sort out his customers.<sup>1</sup> He mentioned, for example, that in some cases he would probably refuse to serve a man who he knew was addicted to excess with more than two pints, whereas he might serve other men with four pints. In this respect observation would lead us to say that the house is conducted much as an ordinary public-house is conducted where there is a good manager.

The house is managed by a committee of the miners, which meets every Monday. They have the assistance of a Secretary, who receives a salary of £16 a year. The

<sup>1</sup> Speaking at Dunfermline on March 21st, 1901, Mr. John Ross stated that "tricks had been played by putting men in the house who were already under the influence of liquor, in order that blame might be attached to it ; but the greatest care was exercised, and the manager was strongly backed up by the committee."



latter is a teetotaler and thoroughly in sympathy with temperance work, and the opponents of the scheme speak in the highest terms of him. He orders all the liquors, and they are debited to the manager at selling prices. The usual hours of sale are observed, and there are no special restrictions concerning the sale of liquor to children. No credit is, however, given. A general public-house trade is done, but beer-sales preponderate. The manager stated that, speaking generally, they would sell about one hogshead of spirits and thirty-two barrels of draught beer a month, besides bottled "Bass"; also about two hundred and forty dozen of "minerals" a month. (He explained that the mineral waters were being largely used in conjunction with beer for what is known as "shandy gaff").

He further stated that there was a fair "off" trade, but that the "off" sales would not amount to more than a tenth of the whole. In accordance with local practice, beer is sold a halfpenny per pint cheaper for "off" consumption.

The manager is paid a fixed salary of £2 per week, with house, coal, and light. He receives no commission upon sales, even in the case of mineral waters, but it was stated that it is intended to let him have the profits on food in the restaurant as soon as the restaurant gets properly established. This restaurant is a good room with a separate entrance. It has, however, only been running a short time (being opened at the end of 1900), and at first involved a loss, but it is now paying its way. It is not likely ever to do a great business, inasmuch as it must depend upon cyclists and other visitors, the miners themselves having their meals at home. The manager at Kelty, as also the manager at the Hill of Beath, confirmed what had been stated elsewhere, that



it is not really possible for a manager of a public-house to do much in pushing the sale of non-intoxicants. If it were possible, the high profits upon mineral waters would probably induce private publicans to do their utmost to sell them.

### FINANCIAL RESULTS

The "takings" of the house average at the present time from £60 to £70 per week. They are, as elsewhere, heaviest at the end of the week, and are specially affected by the fortnightly pay-day.

The following particulars give the takings for two recent consecutive weeks:

	1901.	£	s.	d.
Monday, May 20th . . . . .		11	16	0
Tuesday, May 21st . . . . .		7	5	5
Wednesday, May 22nd . . . . .		7	8	0
Thursday, May 23rd . . . . .		6	16	0
Friday, May 24th . . . . .		5	8	8
Saturday, May 25th . . . . .		17	8	0
Total . . . . .		£56	2	1

	1901.	£	s.	d.
Monday, May 27th . . . . .		6	15	0
Tuesday, May 28th . . . . .		4	16	1
Wednesday, May 29th . . . . .		5	8	0
Thursday, May 30th . . . . .		5	11	6
Friday, May 31st (fortnightly pay-day) . . . . .		21	10	0
Saturday, June 1st . . . . .		24	14	2
Total . . . . .		£68	14	9

The full effect of pay-day is further shown in the particulars of another week to which the manager called our attention





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## Balance Sheet as at December 31st, 1900.

LIABILITIES.			ASSETS.		
	£	s. d.		£	s. d.
I. Share capital—3,473 shares of 5s. each, fully paid ..	868	5 0	I. Outlay on premises owned by the Society ..	2,914	11 9
II. Trade debts .. £297 4 9			Less loan by Dunfermline Building Company, Ltd.	2,000	0 0
Less discount 55 9 8					
	241	15 1		£914	11 9
III. Interest and feu-duty outstanding .. ..	59	12 6	II. Stock-in-trade at cost ..	325	5 8
IV. Sundry accounts .. ..	22	17 1	III. Fittings, furnishing and utensils .. £468 8 0		
V. Loan from John Ross, Esq. 240 10 9			Less amount written off..	117	2 0
VI. Balance on profit and loss account .. ..	602	1 9		351	6 0
			IV. Balance due by Royal Bank of Scotland, Kelty, on account current ..	299	17 0
			V. Cash in hands of manager	40	0 0
			VI. Formation expenses .. £130 2 2		
			Less amount written off..	26	0 5
				104	1 9
				£2,035	2 2
	£2,035	2 2			

It will be seen that the net profit on the year's trading was £602.

## APPROPRIATION OF PROFITS

Only a portion of the profits has so far been appropriated. The appropriations already made include a grant of £50 to the local library, and the maintenance of a certificated district nurse. The district nurse is a great success, and is very popular in the village. Her maintenance will mean an expenditure of at least £100 per annum. The general rule of the Society governing the appropriation of profits is the same as that adopted by the Hill of Beath Society.

## COUNTER-ATTRACTIONS TO THE PUBLIC-HOUSE

As the experiment is only eighteen months old, and has only completed one financial year, not much has been done so far in the way of direct counter-attractions to the



public-house. As already explained, out of the last year's profits a grant of £50 was made to the local library. This institution is an excellent building, containing a loan library and reading-room, and a billiard-room with one table, in addition to accommodation for the caretaker and his family. The members pay a subscription of 2s. 6d. a year, and the building seems to be fairly well patronised. Although excellent in its way, it is quite inadequate to meet the recreative needs of the village, and especially inadequate as a counter-attraction to six public-houses and a drink-club. The Public-house Society, however, proposes shortly to lay down a bowling-green away from the public-house at a cost of about £500, and there is also some vague talk of a people's park, but there is little likelihood that the latter will be established just yet. It should be mentioned in this connection that some at least of the other public-houses in Kelty provide games for their customers.

### GENERAL RESULTS

In estimating the general results of the experiment in Kelty it is but just to make full acknowledgment of what the present writers believe to be the absolute sincerity and disinterestedness of aim which led to the establishment of the scheme. Mr. John Ross, the actual promoter of the Society, is a well-known and influential citizen, whose devotion to the cause of education and other public questions in Fifeshire has won him widespread respect; and it is unquestionable that in promoting the Fifeshire public-house societies he has been actuated by a sincere desire to make a practical contribution to the solution of a difficult and dangerous problem. He himself regards the local public-house societies as little more than experiments. "They are," he says, "picking their way,"



and he urges that they have been in existence for too short a time to show decisive results.

On the other hand, it is clear that in Kelty local feeling is strongly opposed to the experiment, and many complaints are made of increased drunkenness, and of persons who did not formerly frequent the public-houses of the village, but who now are said to visit the "Gothenburg" house owing to its supposed greater respectability. It is not clear that there is much in this last charge, although one or two instances were given, nor do we think that it is quite fair to charge the alleged increase of drunkenness in Kelty against the new public-house. The fact seems to be accepted that an increase of drunkenness has taken place during the last year or so, but this would appear to be due to (1) the very prosperous times which the miners have been having; (2) the growth of the population; and (3) the establishment of a club which is really no more than a drinking-saloon without the restrictions of an ordinary public-house. The chief officer of the local police was especially emphatic in his condemnation of this club, to which he evidently attributes the increase of drunkenness. He went so far as to say that the Sunday closing of the public-houses in Kelty is being rapidly undone by the heavy sales in the club on Sunday, and he gave illustrations of what he had himself seen in support of this. The club was opened about a year ago, and its establishment seems to have been the familiar case of a man thwarting the licensing justices who had refused a licence. In any case, its evil influence must be kept very prominently in view when considering the alleged increase of drunkenness in Kelty. The police officer, in speaking of the "Gothenburg" public-house, stated that in his experience it was well conducted, and he had no complaints to make against it. He seemed to



think (in common with many others) that its chief virtue was that it diverted the profits of some part at least of the local liquor traffic to public purposes. On the whole, his testimony was favourable to, rather than against, the "Gothenburg" house.

Mr. Terris, J.P., chairman of the Kelty School Board, who has always been a supporter of the experiment, evinced no great enthusiasm for it in discussing the matter with one of the present writers. His great point was that in a choice between an ordinary public-house and a Company house it was better to have the Company house. He practically admitted that the chief value of the experiment was that the profits were diverted to useful ends.

The opponents of the scheme (some of whom are very hostile) chiefly take the ground that the way the profits (which were £602 for the first year) are likely to be appropriated may injure the cause of temperance by giving the people a direct monetary interest in the continuance of the traffic. Some of them also feel that the establishment of the house has increased drinking and drunkenness; but the chief objection is clearly the apprehension of an appeal to the cupidity of the village. In some respects the most weighty opinion was given by a resident doctor—a comparatively young man and a regular Church worker. He was, on the whole, distinctly opposed to the experiment, and especially felt the difficulty likely to arise out of the villagers' pecuniary interest in the scheme. It was, however, generally acknowledged that if a scheme of local option could be devised whereby the *whole* of the public-house traffic in Kelty could be brought under effective and stringent public management, and arrangements made under which the locality would derive no profit from the traffic save and except *a fixed grant* for



direct and efficient counter-attractions to the public-houses, the objections now felt would largely disappear.

The present writers are of opinion that it is practically impossible to decide whether the house has or has not increased drinking in Kelty. Upon the whole they would be inclined to suggest that its effect has not been great either way. That it has not diminished drinking and drunkenness may be accepted as certain. It could not well be expected to do this, in view of the fact that it has increased the facilities for obtaining drink ; and it is further possible that to some slight extent it has increased drinking among those to whom its respectability is said to appeal.<sup>1</sup>

It is clear, however, that with the competition which the house encounters it is hopeless to look for very satisfactory results. In addition to the "Gothenburg" house there are five other public-houses in Kelty (one of them immediately opposite), as well as two grocers' licences and a drink-club. The manager himself is fully alive to the injurious effect of this competition upon his own efforts. "My principal bother here," as he recently informed the special commissioner of the *Alliance News*,<sup>2</sup> "is drunken people coming from other places. This place is doing no good. One of its kind in a place is no use. If we had all the houses in the place under our management we could do some good ; but what would be the use

<sup>1</sup> That this is not the result of the Gothenburg system, rightly applied, is strikingly shown by the declaration of Mr. Lars O. Jensen, Right Worthy Grand Templar of Norway, at the International Alcoholic Congress at The Hague, in 1893. Mr. Jensen said : "When the Gothenburg system was introduced, it was feared that this system would throw an air of respectability about the drinking-customs. This has not been so. On the contrary, it is regarded as a far greater shame to enter a *Samlag* shop than to enter an ordinary drink-shop or restaurant."

<sup>2</sup> *Alliance News*, June 13th, 1901.



of us closing earlier, or anything like that, when our customers would just go across the way to the public-house opposite?" In conversation with the present writers he was equally emphatic.

Summed up briefly, the defects of the Kelty experiment do not indicate any inherent defect in the principle of public management, rightly applied and directed, but rather the urgent necessity of legislation which shall allow localities to acquire a complete monopoly of the local traffic under conditions that will give free play both to restrictive and constructive agencies, and prevent the traffic being conducted for local pecuniary gain. At present there is a distinct danger that localities may drift into experiments before the necessary safeguards are properly understood.

#### THE COWDENBEATH AND DUNFERMLINE PUBLIC-HOUSE SOCIETIES, LIMITED

Similar societies to those at Hill of Beath and Kelty have recently been formed at Cowdenbeath and Dunfermline. In neither case, however, has an additional licence been applied for. At Cowdenbeath an existing public-house was purchased for £7,000 (£4,000 of which was said to represent the value of the licence alone); while at Dunfermline a smaller house was provisionally acquired for £3,600. In the latter case the sale was conditional upon a transfer of the licence being obtained. The transfer was, however, subsequently refused by a majority of the licensing justices, with the result that the proposed sale was not completed. At Cowdenbeath the Society has already begun operations, but the experiment has been working for too short a time to justify comment here.



## CHAPTER VIII

### Public Management in Ireland

THE extent to which the movement in favour of the public management of the liquor traffic is rapidly spreading is further illustrated by the recent formation of the Ulster Public-Houses Trust Company, Limited, which began operations at Carnmoney, near Belfast, in May, 1901. The promoters have but one inn at present, but they hope shortly to extend their operations and acquire other public-houses. The principles of management are practically the same as those adopted by the Bishop of Chester's Association.

The inns are to be conducted as "refreshment-houses and not 'drinking bars'; food and non-intoxicants will be supplied as readily as intoxicants and during the same hours." The surplus profits, after allowing a sufficient sum for depreciation, reserve, and interest not exceeding 5 per cent. on invested capital, "will be administered by carefully selected trustees for the benefit of the community."

#### "THE CROWN AND SHAMROCK," CARNMONEY, NEAR BELFAST

Date opened.  
May 31st, 1901.

Local Population.  
1,500.

The Company began operations by acquiring an inn in the parish of Carnmoney, about a mile beyond



Glengormley, and seven miles north of Belfast. The inn, which is now named the Crown and Shamrock, had a bad reputation, and, according to the *Belfast News-Letter*, was formerly "the scene of frequent disturbances and irregularities of various kinds, and gave the police of the district continual trouble. The magistrates had, indeed, threatened to withdraw the licence, but the Company stepped in and saved the situation, and the house has entered on a new chapter in its history, which promises to be more satisfactory than its past career."

Considerable alterations were made in the premises in order to adapt them to the new requirements. "The areas in front of the house have been enclosed with neat fences of ash and oak, and provided with seats, and on the west side they terminate with a verandah of similar construction, leading to a glass door, by which entrance is gained to the principal room of the inn. This is a long, low-ceilinged apartment, containing a bay window of the old English type, with a cosy seat running round it, and not far from the window is an antique chimney-corner, such as may still be seen in old farmhouses and cottages in the counties of Antrim and Down. . . . On each side of the fireplace is a 'seat for one,' and it is easy to imagine that on cold and damp days these cosy ingle-nook seats will be favourites with frequenters of the inn. The room is furnished with beech tables and rush-bottomed seats, and it is altogether as snug an apartment as one could desire. Adjoining it is the bar-room, which has undergone a complete transformation. The bar has been entirely remodelled, and arranged more in accordance with the requirements of such a hostelry, no undue prominence being given to intoxicating liquors."<sup>1</sup>

Persons frequenting the inn are not to be subjected to

<sup>1</sup> *Belfast News-Letter*, June 1st, 1901.



any rules or restrictions "other than those prescribed by law or sanctioned by the licensing authorities, but everything possible will be done by influence and example to prevent misconduct or the use of objectionable language, and to maintain the high standard of the establishment."

There is no hard and fast rule about the amount of liquor to be supplied to a customer, but "the manager is under strict orders to carry out the spirit as well as the letter of the law, and refuse more to anyone who, according to his judgment, has had enough. And the judgment of the manager," it is added, "is not liable to the bias which might ensue from his personal loss, for he gets a fixed salary with a percentage or bonus on non-intoxicants, and has no interest in the sale of spirituous liquors at all."<sup>1</sup>

The precise method of appropriating the surplus profits has not yet been fixed, but the promoters, among whom are several local clergymen, "hope to be in a position to give generous assistance to many deserving projects which will benefit the large parish of Carnmoney—for instance, a coal-fund, a poor-fund, or a fund for the support of a nurse for the sick poor in the district. This, however, is a matter for future consideration." It is certainly to be hoped that when this "future consideration" is given, these suggested appropriations will be modified, for in giving the inhabitants of the parish so direct an interest in the sales, they appear to be hardly less objectionable than the direct relief of rates sanctioned in Gothenburg.

The customers are drawn from three distinct classes; namely, (1) neighbouring mill-hands, (2) small farmers on their way to and from market, and (3) cyclists. At present the house is said to do most with the third class.

<sup>1</sup> Rev. E. C. Hayes, in an article in *The Visitor*, the organ of the Church of Ireland Temperance Society, July, 1901.



The inn, which was opened on May 31st, 1901, has been working for too short a time to show decisive results, "but already," according to the testimony of the Rev. E. C. Hayes, one of the promoters of the experiment, "there is much to interest and very much to hope. Of course many are exceedingly puzzled as to what it all means. Difficulties daily arise for solution. And even after years of working it is not to be expected that one reformed house among scores of the normal type will have any startling effect upon the country-side. But a beginning must be made in every movement, and if this little social experiment succeeds, its originators are not without ambition for a wider activity. It was with that view they formed themselves into 'The Ulster Public-Houses Trust Company, Limited.' By increasing their capital according to need, they hope, as occasion affords, to buy up other houses—or even apply for new licences when they are becoming necessary, and run them on the Carnmoney model."<sup>1</sup>

<sup>1</sup> Article in *The Visitor*, July, 1901.



## CHAPTER IX

### Other Isolated Experiments

IN addition to the foregoing instances, several isolated attempts have been made in various parts of the country to eliminate private profit from the local liquor traffic. Among these may be mentioned the inn at Wantage, Berkshire; the Spencer Arms Inn at Chapel Bampton, Northamptonshire<sup>1</sup>; the New Inn at Childswickham, Broadway, Gloucestershire; the Spital Beck Inn, Yorkshire; the Plymouth Arms at St. Fagan's, Redditch; and the late Sir E. Lechmere's Inn at Hanley Castle, Worcestershire.

#### WANTAGE, BERKSHIRE

Referring to the first of these, the late Lord Wantage said<sup>2</sup>: "The public-house here continues to succeed perfectly. It has now been working about ten years. The manager receives a fixed salary of £100 a year. He has no profits on the sale of intoxicants. One room is reserved for those who call for tea, coffee, etc. It is an open house,

<sup>1</sup> The Harleston Inn, Northamptonshire, is not here included, since it is carried on entirely in the interests of the local Co-operative Society.

<sup>2</sup> Quoted by the Rev. Osbert Mordaunt in his pamphlet entitled *Reformed Public-Houses*, published in 1898.



and beer is obtained according to the wishes of those who are served. The fixed rent to me as owner is £20 a year. The profits, after all expenses, average about £150 a year, and are distributed according to the decision of a committee, of which I and my agent are the chief members. The money has been used in paying all expenses of management of a Friendly Society, also in putting up lamps in the two parishes, and providing all expenses in the maintenance of them, lighting, etc. The facilities of having the best room in the house specially reserved for those who do not take beer or spirits is decidedly advantageous. The usual newspapers are provided free."

Brief particulars of the remaining houses are given by the Rev. Osbert Mordaunt in his pamphlet on *Reformed Public-Houses* published in 1898, and they need not be further referred to here. The houses are all small.



## CHAPTER X

### Public-House Trust Companies

**A**MONG the Public-house Trust proposals which are before the country none have claimed so much attention as those which are associated with the name of Earl Grey.<sup>1</sup> In a letter dated September 6th, 1900, addressed to the licensing magistrates in the various Petty Sessional Divisions of Northumberland, Earl Grey thus describes the circumstance which forced on his attention the need of a drastic change in the present method of allotting licences: "Last year, it having been represented to me that it would be a convenience to the people of Broomhill if an additional public-house could be provided, I applied to the licensing authorities, in my capacity as chief landowner in the district, for the necessary licence. The magistrates, having decided that the requirements of the population called for an additional public-house, granted me the licence. I immediately discovered that the State, in conferring upon me a monopoly licence, had also granted me a commercial asset of enormous value. I was informed that if I would consent to sell my licence I could, without spending a single sixpence, obtain nearly

<sup>1</sup> For a list of the Trust Companies formed, or about to be formed, in connection with Lord Grey's movement, see p. 1 (footnote).



£10,000.<sup>1</sup> Now, it appears to me that large monopoly values arising out of the possession of a public licence conferred upon a private individual by the State ought to belong, not to any private individual, but to the community. I am, accordingly, making arrangements by which the surplus profits, after a dividend of 10 per cent. has been paid per annum (5 per cent. for interest, and 5 per cent. for redemption of capital), shall be expended by the trustees, to be appointed, in such a manner as they may direct, for the benefit of the inhabitants of Broomhill."

He further asks that the licensing authorities, when they have decided to create new licences, shall give the refusal of them to applicants who will undertake to run them on Scandinavian principles, not for private profit, but in the interest of the community affected. At first it was intended that such licences should be worked by the People's Refreshment-House Association, of which the Bishop of Chester is the chairman; but in a letter to *The Times*, dated December 12th, 1900, Earl Grey announced that: "It is intended to give practical effect to the plan of temperance reform outlined by the Bishop of Chester in his letter which appeared in the press of December 3rd, by the incorporation of Public-house Trust Companies for London and the provinces."

<sup>1</sup> In an interview at a later date with a representative of the *London Argus* (March 22nd, 1901), Lord Grey said: "Up till that time I had not thought out the question, but seeing that by merely obtaining this licence a sum of, say, £10,000 had been put into my pocket, it struck me that such a state of affairs was not in the public interest. . . . There are hundreds of such cases which I could mention."



## OBJECTS OF THE PUBLIC-HOUSE TRUST

In this letter the object of the Companies is thus defined: "The object of these Companies will be to acquire every new licence which the Licensing Authorities may think it desirable to create, and to apply to the public-houses so acquired, and to existing public-houses whenever possible, a principle of administration which will secure that they shall be managed as a trust in the interests of the community, and *not for private profit*. The two chief objections to the present system, which allows licensed public-houses to be conducted for private profit, are :

"1. There is no security that the best liquor that can be bought in the open market is supplied to the consumer.

"2. It is the interest of the publican to push the sale of intoxicants.

"The principle of management to be adopted by the Public-House Trust Companies will remove both these evils. In the houses managed by the Companies :

"1. Only the best drink that can be obtained in the open market will be sold.

"2. It will not be the interest of the manager to push the sale of intoxicants; he will receive no commission on the sale of alcoholic liquors, but will be paid a fixed salary with commission on the sale of food and non-intoxicants, or a bonus on good management.

"3. The public-houses will be refreshment houses, and not merely drinking bars. Food and non-intoxicants will be supplied as readily as intoxicants and during the same hours.

"4. The surplus profits, after allowing a sufficient



sum for reserve and interest not exceeding 5 per cent. on invested capital, will be administered by carefully selected trustees for the benefit of the community."

In a subsequent letter dated January 16th, 1901, the position taken by the Public-House Trust Association is still further explained :

"In the first place, let me state that our proposal does not attack the licensees of public-houses. We do not ask the licensing authorities to alter their practice with regard to the renewal of licences. We do not propose to expropriate existing interests without paying adequate compensation. We do not ask the Legislature to come to our assistance. We are content to make the best use of the opportunities which the law allows us.

"But while we do not attack private interests, we propose to endeavour to place a limit on their growth. It is stated by Messrs. Rowntree & Sherwell that the net profits of public-houses and beer-shops in the United Kingdom for 1899 were £19,400,000. These figures have not been challenged, and are believed to be under the mark. It is undesirable, for many reasons, that this huge liquor interest should be allowed to grow indefinitely, and we suggest means which, without robbing or injuring any one, will provide that new public-houses created to meet the requirements of new communities shall be brought under the control of trustees who have at heart the well-being of the community. We further propose to purchase licences in the open market, whenever we think such purchase is in the interests of our Company, and consequently of the community which it will represent. The scope of our endeavours in this direction will necessarily be dependent on the financial support we may receive."



## POSSIBILITIES OF THE SYSTEM

Such, then, are the objects and method of the Public-House Trust Company as explained by its promoters. In view of the probable wide extension of these companies, it is a matter of much interest to inquire what are the possibilities of the experiment, and whether it is likely to accomplish valuable temperance results. It will have been noticed that Earl Grey says: "We do not ask the Legislature to come to our assistance. We are content to make the best use of the opportunities which the law allows us." If, then, it should be found that the present law affords opportunities for action upon a scale sufficiently wide to secure important national results, full justification will have been given to Lord Grey's proposals. If, on the other hand, it should be found that the sphere within which a Trust Company can advantageously work is, under existing conditions, narrow, a powerful argument will have been furnished for a large measure of legislative temperance reform.

The crucial question which at once presents itself is: In what way can the Trust Company secure licences? The number of "on" licensed houses in Great Britain is a diminishing quantity,<sup>1</sup> and in settled districts the full number of licences likely to be granted has already been allotted. The following are the principal ways in which licences may be obtained:

(a) A few patriotic owners of licences may follow the

<sup>1</sup> Comparing the returns for 1896 with those for 1886, we find that 56 boroughs and 82 Petty Sessional Divisions show a decrease in the number of "on" licences during the ten years. One of the most noteworthy reductions has taken place in London, where (taking the whole of the licensing divisions) 613 "on" licences disappeared between 1886 and 1896.



example of Earl Grey and transfer them to the Trust.

- (b) In newly settled districts the Trust may acquire new licences which the magistrates may deem it necessary to grant.
- (c) The Trust may arrange to take public-houses from town or county councils who have acquired them for improvements.
- (d) The Trust may purchase licences in the open market or obtain them on lease.

The number of licences which the Trust will obtain under method (a) will be small. Its main acquisition of licences will no doubt be in newly settled districts as suggested in (b). But even if the number so obtained were more considerable than appears likely, the relation they would bear to the existing licences of the country must be insignificant. The national problem to be solved would remain practically unaffected. In regard to method (c) it is doubtful whether many licences will be obtained from town or county councils. If these bodies, having acquired licensed premises through improvement schemes, etc., decide to carry them on under public management, they may, as in the recent case of the Sheffield Corporation, transfer them to a Trust Company subject to certain specific conditions. But the number of such licences must in any case be relatively small. Referring to method (d), no doubt plenty of licences can be bought *at a price*. But the price offered to the existing holder must be one which will make it better worth his while to sell than to hold. Such prices will generally be inflated. Tied houses owned by brewers and distillers in order that they may have a secure outlet for their manufactures, now constitute probably 75 per cent.<sup>1</sup> of the "on" licensed

<sup>1</sup> *Practical Licensing Reform*, by the Hon. Sidney Peel, p. 22.



houses of the country. With few exceptions these houses will only be obtainable at prices which no prudent Trust Company would pay. If, then, licences are to be purchased in the open market in such numbers as sensibly to affect the conditions under which the retail drink traffic of the country is conducted, the financial transactions will have to be not only upon an enormous scale,<sup>1</sup> but upon a basis of inflated prices.<sup>2</sup> Public-house profits, especially in the urban centres, are no doubt very great, and a 5 per cent. interest would undoubtedly be obtained upon the capital expended on such urban premises, bought even at an extravagant price. There is, however, a widespread and growing consensus of opinion that the ground must be cleared for large reforms by the enactment of a national time-notice to every licensee. Prudence would therefore suggest that in the case of every licence acquired by purchase, a sum far in excess of the 5 per cent. proposed by Earl Grey must each year be set aside as a redemption fund to secure the Company against loss when the years of notice have expired.

Looking at these various methods for the acquisition

<sup>1</sup> In 1897, according to the estimate of Mr. E. N. Buxton, a partner in one of the largest brewery firms in the country, the aggregate value of the licensed houses in London (including fully licensed houses, beer-houses, "on" and "off," and refreshment-houses, but excluding the large hotels) was, at a low estimate, £60,000,000—a sum which, divided among the whole of the public-houses, beer-shops ("on" and "off"), and refreshment-houses in the Metropolitan Police area, gives an *average* value of between £5,000 and £6,000 per house. The average value of a fully licensed house in the metropolis (excluding the large hotels) is, of course, very much higher than this, and amounts, according to Mr. Buxton, to between £10,000 and £11,000.

<sup>2</sup> The recent experience of Messrs. Samuel Allsopp & Co., Limited is a striking warning in this connection.



of licences from the temperance standpoint, no objection can be taken to method (a). With regard to (b) no application should be made if in opposition to the wishes of the inhabitants of the district. And, further, as magistrates do not announce beforehand that they intend to grant a licence, the Trust Company will have to exercise care that it does not, by its application, cause a licence to be granted that would otherwise have been withheld. To safeguard this point the Glasgow Trust Company in making an application said: "We do not press for this licence, but we ask you not to give it to anyone else." The Glasgow Trust Company also specifically state that the directors will "be prepared to surrender the licence at any time if authoritatively required, without a suggestion of compensation."

With regard to (c)—*i.e.* the *renting* to Trust Companies on special conditions of public-houses which town or county councils have decided to continue under public management—much may be said for such a policy.<sup>1</sup> But

<sup>1</sup> The dilemma in which temperance reformers are placed under the present licensing system is strikingly shown in the experience of the London County Council. Up to the present time the Council has abandoned ninety-four licences of premises acquired for various street improvement and other schemes, the approximate premium value of such licences having been estimated at £254,000 in all (*Municipal Journal*, July 26th, 1901). It cannot be contended that the value of these licences has been annihilated. Probably the greater part of it has been transferred to the pockets of neighbouring publicans.

Lord Grey, in a letter to the Chairman of the Improvements Committee of the London County Council, dated January 17th, 1901, said: "We are prepared to undertake the management of as many public-houses as the Council may decide to transfer to us on the following terms: That the rent paid by us to the Council shall be a fair commercial rent, without the element of the licence being taken into consideration; and in return for this concession we will agree to spend the surplus profits realised by the public-



the case is different with regard to (*d*)—*i.e.* the *purchase* of licences. It will, we believe, be impossible for the money of the Trust to be largely expended in the purchase of licences without the Trust acquiring a great stake in the drink trade and a dangerous interest in the maintenance of the present licensing system. The shareholders will feel that their 5 per cent. interest, and, indeed, their share capital, are imperilled under the operation of a time-notice such as Lord Peel has proposed.<sup>1</sup>

Under the Norwegian system there is no danger that the interest of a man as a *Samlag* shareholder shall conflict with his interest as a citizen. The explanation of this is plain. The controlling companies generally rent houses so transferred to us, after 5 per cent. has been paid on the capital invested in them by our Company, and an equivalent amount credited to the reserve fund, in such a way as the Council may approve, either (1) for the provision of counter-attractions to the public-house and objects of public utility not properly chargeable to the rates, or (2) for the purchase of licences, or (3) if the Council should so insist, for the repayment of the sum expended by them for the purchase of the licences transferred to our Company." This offer has manifestly much to recommend it, but apparently the members of the Council feel that the number of licensed houses in London is already excessive, and are unwilling to continue those that come into their hands even if the cost of the policy of abandonment is great and actually adds to the value of the neighbouring houses that remain. Surely this is a striking illustration of the need for a large measure of temperance reform, so that those who are responsible for the government of London and other cities shall no longer be placed in a position in which a reduction of licences can only be made at the cost of the rate-payers, though the transaction confers a gift upon existing private licensees.

<sup>1</sup> The special and grave objections that attach to the *purchase* of licensed premises do not, of course, apply to the renting of such premises at "a fair commercial rent, without the element of the licence being taken into consideration," as proposed by Earl Grey in his letter to the London County Council.



their premises (which have no value as licensed houses beyond that of ordinary commercial premises), and consequently their capital is exceedingly small. The total paid-up capital of the fifty-one Norwegian companies in 1892—the year when the Company System in that country reached its maximum—was only £33,000. But in the same year the net profits of the Norwegian *Samlags* were no less than £88,000, after paying the £23,700 due to the municipalities for licence rights. The average profits of four and a half months would therefore equal the entire capital. A Norwegian company with its small capital is thus able easily to create a reserve fund sufficient to pay the shareholders in full should the *Samlag* be abolished by a popular vote. The point to emphasise is that neither the small capital, nor the high rate of profit, nor the ample reserve funds of the Norwegian companies would be possible if they paid vast sums for their licences. It is a matter of history that in Norway the Company System, so far from setting up opposing interests, has facilitated temperance reforms. In the proposals which the present writers have made elsewhere for the formation of companies in this country, the safeguards suggested are even more complete than those existing in Norway.

#### THE HAMPSHIRE PUBLIC-HOUSE TRUST COMPANY, LIMITED <sup>1</sup>

An examination of the Articles of Association of the Hampshire Public-House Trust Company, Limited ("the other companies will in each case be completed on these

<sup>1</sup> It should be noted that the various local public-house trust companies, although all of them the outcome of Lord Grey's proposals, are in administration and finance absolutely independent of each other, each having its own Articles of Association. In



lines ")<sup>1</sup>, deepens the conviction that the dangers in the Trust enterprise will be found to gather round the proposals for the purchase of licences. Earl Grey and his colleagues, weary of the delay in securing legislation, naturally wish to effect the largest possible amount of present good, and they perceive that if their efforts are to be limited to the acquisition of licences "which the licensing authorities may think it desirable to create," their efforts will be confined within narrow limits. There would be an ample field for all these efforts if the ground were once cleared by legislation, but until then the difficulties of wise Company action upon an extensive scale are very great. An illustration of this is afforded by Clause 50, under the head "Borrowing Powers," which provides that—"The directors may raise or borrow money for the purposes of the Company's business, and may secure the repayment of the same by mortgage or charge upon the whole or any part of the assets and property of the Company (present or future), including its uncalled or unissued capital, and may issue bonds, debentures, or debenture stock, either charged upon the whole or any part of the assets and property of the Company or not so charged."

A clause of this kind is often found in the Articles of a printed circular dated March 30th, 1901, Lord Grey said: "Local companies, when formed, will be invited to affiliate themselves to this Association, and to send a delegate to the meetings which will be convened from time to time for the purpose of discussing matters of common interest, and of organising, when desirable, combined action. Such an Association will, it is hoped, be able to obtain and give expert advice on all technical and legal matters connected with the acquisition and management of Trust houses, and upon all other matters affecting the welfare and success of the movement."

<sup>1</sup> Letter from the Secretary of the Central Association, dated July 5th, 1901.



Association of Limited Companies, and may have been inserted as a common form clause, but it is one not likely to lie dormant if many licences are bought. The demand for capital, if this policy were adopted, would be great; and to meet the absorption of capital, recourse would have to be had on a large scale to the borrowing powers of the Company. Such an arrangement would be perfectly sound as a commercial transaction, but what its effect may be upon the temperance policy of the Board will be seen by a perusal of Clause 52, which provides that—

“The Company may, upon the issue of any bonds, debentures, debenture stock, or security, *give to the creditors of the Company holding the same, or to any trustees or other persons on their behalf, a voice in the management of the Company, whether by giving to them the right of attending and voting at General Meetings, or by empowering them to appoint one or more of the directors of the Company, or otherwise as may be agreed.*”

How considerable may be the influence of a single director thus appointed for the definite purpose of safeguarding the interests of the creditors, and who may have little sympathy with the temperance aims of the Company, is seen from Clause 79:

“The number of the directors shall, until the ordinary General Meeting to be held in the year 1910, be determined by the Board of Directors and thereafter by the Company; provided always that such number shall not in any event be less than three or *more than seven.*”

The danger would not be removed even though the director or directors appointed by the creditors had no connection with the Trade, for such directors could only safeguard their clients' interests by a policy which would ensure large profits, and this would necessitate large sales. The two clauses, named above (50 and 52) are common form clauses, and their importance may appear to be



discounted by this fact, but they will necessarily become operative if large transactions in the purchase of licences are embarked upon.

The promoters of the Hampshire Trust are alive to the risk of a large number of shares passing into the hands of holders who might be desirous of changing the policy of the Company. This danger they endeavour to guard against in two ways: (1) by reserving power to the directors to refuse to register any transfer if they think fit; and (2) by placing the whole of the deferred shares<sup>1</sup> in the hands of trustees, it being provided that "The holders of the deferred shares shall be entitled to the same number of votes as all the holders of ordinary shares shall for the time being be entitled to collectively." The Articles of Association provide that the surplus of the net profits (*i.e.* after payment of dividends and providing for a reserve fund and for depreciation of the Company's properties) shall be paid to the holders of the deferred shares, to be held by them as trustees, and to be applied by them, with the approval of the Council, to such objects as are provided for in the "Indenture."

The Council referred to consists of (*a*) the trustees mentioned above, (*b*) the holders for the time being of the offices of Lord Lieutenant for the county of Hampshire, and Bishop of the diocese, and (*c*) not less than one or more than six other persons to be appointed by the directors.

The present Council consists of:

The Rt. Hon. the Earl of Northbrook, Lord-Lieutenant  
(*ex-officio*).

The Rt. Rev. the Bishop of Winchester (*ex-officio*).

<sup>1</sup> It is to be noted that in the Glasgow and East of Scotland Companies there are no deferred shares, and trustees are appointed solely for the administration of the surplus profits.



The Rt. Hon. Evelyn Ashley.

Sir Wyndham Portal, Bart.

The Very Rev. the Dean of Winchester.

The obvious aim of these arrangements is to guard against the risk of change in the policy of a Company by placing great voting power in the hands of men occupying high social positions or public office of recognised responsibility, and it is probable that anything in the nature of a serious departure from the aims and policy of the promoters will in this way be prevented. But it is well to remember that it is upon the directors, who have the detailed administration of the Company in their hands, that the actual success of the Company as a temperance instrument will ultimately depend, and that the influence of a directorate in favour of temperance does not turn upon the acceptance or rejection of any single act, but rather upon wise, tactful, and persistent effort exercised in regard to a number of details whose practical importance can only be known to those who are responsible for the daily management of the business. The provision giving directors power to decline to register transfers would indicate that the promoters of the Trusts were alive to the danger of having upon their list of shareholders those who are interested in the drink traffic. On the other hand, many will have read with apprehension the passage in Lord Grey's letter to *The Times* of January 16th, 1901, in which he says: "In Norway and Sweden persons connected with the liquor trade are prohibited by law from holding shares in the *Bolags*,<sup>1</sup> but our proposal<sup>2</sup>

<sup>1</sup> This is not strictly accurate, but other safeguards exist in Norway.

<sup>2</sup> *I.e.* the one giving great voting power to the holders of the deferred shares.



appears to me to render unnecessary an offensive prohibition which ostracises one class from a movement which aims at the well-being of all." If one of the main objects of a Trust Company be to lessen the consumption of drink, it is surely imprudent to invite the co-operation of those whose interest as traders is to increase its sale. While it may be well to guard, by special provisions, against dangerous developments within the Trust Companies, it is better still to guard against their introduction.

### RECREATIVE FEATURES

In an article upon the Public-House Trust Association, which recently<sup>1</sup> appeared in the *Westminster Gazette*, the writer says: "The second great principle of the movement is that it proposes to improve, and even to idealise, the public-house. . . . The Public-House Trust Association proposes to supply every variety of refreshment, to give facilities for games and recreations, and, in a word, to make the refreshment-house something more nearly approaching to a club, or at least to a café as known in France. The exact details as to the arrangement of the houses for this purpose have yet to be settled, but it is proposed, we understand, to keep the alcoholic and non-alcoholic sides of the house entirely separate."

With the proposal to give facilities for games and recreations the present writers are in full accord, but they strongly hold that the drinking and recreative centres must be separated by a wider distance than the two sides of a public-house. Subsequent observation has led them in no way to depart from the view they have

<sup>1</sup> May 22nd, 1901.



elsewhere<sup>1</sup> urged, that the proposal to associate recreation with the sale of intoxicants is not only opposed to the express recommendations of several Parliamentary Committees, but is clearly prejudicial to the best interests of the community, and calculated to hinder, rather than to facilitate, the object it seeks to attain. Its importance can be illustrated by a single consideration. Practically all disinterested citizens are agreed that the consumption of intoxicants in the United Kingdom is at present so excessive as to be dangerous to morality, prosperity, and health. Temperance workers, realising this, and knowing how hard it is to break an established habit, have tried to save the children from acquiring the habit of drinking. It is stated that in 1897 the Bands of Hope and other juvenile temperance associations in the United Kingdom had a total membership of nearly three millions (2,800,000), and that in addition to the ordinary work done by these societies, lectures on the subject of temperance were delivered to no less than 403,320 children in public elementary schools. Do we want these boys and girls when they leave school, with no acquired fondness for drink, and the young men and women in shops and factories, to be attracted to rooms in which games, music, and newspapers are directly associated with the sale and consumption of intoxicants? Do we not rather want, by a strong and decided change in our national arrangements, to break the continuity of the drinking habit, and so reduce to reasonable limits our present stupendous consumption of alcohol? If we do wish this, what could be more ill-judged than deliberately to attract young men and women to places where, in seeking recreation, they will perpetually have before them an example which we desire they should *not* imitate?

<sup>1</sup> *The Temperance Problem and Social Reform.*



PAYMENT OF MANAGING DIRECTORS ACCORDING TO  
FINANCIAL RESULTS

In reading the Articles of Association of the Hampshire Trust Company one occasionally comes upon clauses which suggest that those responsible for the drafting had overlooked the altogether exceptional objects for which the Trust Companies exist. This is particularly the case in Article 100, which runs: "The directors may from time to time appoint one or more of their body to be a managing director or managing directors of the Company, and may fix his or their remuneration, *either by way of salary or commission, or by giving a right to participation in the profits of the Company, or by a combination of two or more of those modes.*" Such a clause might rightly be included in the Articles of almost any commercial undertaking, but it is in direct opposition to the avowed purposes for which the Public-House Trust Companies are formed. In his letter to *The Times* of December 12th, 1900, Earl Grey says: "In the houses managed by the Companies *it will not be the interest of the manager to push the sale of intoxicants: he will receive no commission on the sale of alcoholic liquors, but will be paid a fixed salary with commission on the sale of food and non-intoxicants, or a bonus on good management.*" As is well known, by far the larger proportion of the profits in the houses worked upon "Gothenburg" lines arises, not from the sale of food or mineral waters, but from the sale of alcoholic drink. The more drink sold, the larger will be the profits upon which it is provided that the managing director may have a commission, or in which he may have a right to participate. It is well to provide that the local



managers and the actual dispensers of the drink shall be paid only by a fixed salary; but the benefits of the provision may be entirely neutralised if the managing director, upon whose reports and advice subordinate appointments and advances in salary will depend, has a direct interest in the sale of alcoholic drinks.

#### VOTING POWER OF SHAREHOLDERS

In the Hampshire Public-House Trust, as in the Bishop of Chester's Association, the dividend is limited to 5 per cent.<sup>1</sup> In the Bishop of Chester's Association each *shareholder* is entitled upon a poll to one vote only, irrespective of the extent of his holding, following in this the example of some of the best of the Norwegian companies. In the Public-House Trust Association each ordinary *share* carries a vote. In a purely commercial undertaking the voting power rightly goes with the number of shares, but in bodies which exist for public purposes plurality of voting should not be found. Seeing that these Trust Companies have for their primary object "to promote sobriety and diminish drunkenness," there would seem to be no reason why the holder of many shares should have a more potent voice in determining the policy of the Company than the holder of one share.<sup>2</sup>

<sup>1</sup> In the Bishop of Chester's Association and in the Hampshire Public-House Trust Company the dividend is not cumulative. It is, however, cumulative in the Northumberland Trust Company.

<sup>2</sup> In a general way it may be said that no one should hold so many shares in a Company that the financial success of the undertaking would thereby become a matter of real moment to him.



## APPROPRIATION OF SURPLUS PROFITS

This important question is provided for in the Hampshire Trust in an "Indenture," which, among other things, sets forth the objects to which the trustees may apply the surplus profits. We give *in extenso* the clause relating to this point :

- "(i) Making donations or subscriptions to any society institution trust organisation or charity now existing or hereafter to exist.
- "(ii) In acquiring sites for and building and restoring altering enlarging maintaining and endowing churches chapels whether intended to be consecrated or not churchyards burial-grounds hospitals colleges schools school-houses houses of residence for any purpose mission-halls parish-rooms institutes almshouses libraries baths wash-houses theatres music halls restaurants coffee-taverns eating houses cabmen's shelters and houses for the working classes and the like.
- "(iii) Providing maintaining extending and testing by examination or otherwise education and religious and technical instruction.
- "(iv) Doing all such things as may to them in their uncontrolled discretion appear to be incidental or conducive to the purposes aforesaid or any of them and for that purpose to form any new society institution trust organisation or charity.

"Provided always that such property and money shall not be expended or disbursed for or towards the direct relief of rates taxes or assessments unless in exceptional circumstances it is deemed expedient or for the benefit



of the Company so to expend or disburse the same or some part thereof."

In cases where the drink trade is taken out of private hands and put under some form of public control there are, broadly speaking, two ways in which the surplus profits may be appropriated.<sup>1</sup> The one is to make use of these profits in the provision of counteracting agencies, the aim of which shall be to weaken and restrict the trade; the other method is to make use of the profits to enrich the municipal treasury, or to swell the incomes of public institutions and private charities. These methods are not only absolutely distinct, but in their scope and tendency are in direct opposition to one another. For while the first method weakens the hold of the trade, the other gives the ratepayers, or the committees of the institutions helped, a distinct interest in the maintenance, if not in the extension of the traffic. The former plan is meeting with wide and growing acceptance from the churches, from temperance and social reformers, and from men and women representative of the most varied schools of thought. The latter plan is that which has been adopted in the city of Gothenburg, and, generally speaking, throughout Sweden.<sup>2</sup> It is also the one which, unfortunately as we believe, has been adopted by the Hampshire Public-House Trust. We regard the choice as unfortunate, because (1) it

<sup>1</sup> Mention is here made of *local* appropriations only. As we have elsewhere shown (see p. 144) the most satisfactory method of appropriation is that which, after allowing for the maintenance of efficient "counter-attractions," provides that the residue of the profits shall be handed over to the State Treasury.

<sup>2</sup> Prior to the passing of the Act of 1894 the appropriation of the profits in Norway was a union of the two methods, and the change effected by the Act of 1894 was due to a recognition of its defects.



diverts the profits from the sphere in which they are imperatively needed for temperance purposes, and (2) the proposed appropriation is in itself full of danger. So far as the first of these two points is concerned it must be remembered that the conditions under which so many of our fellow-countrymen live create an urgent need for healthy recreation and for satisfying the social instincts apart from the sale of drink. The first call upon the profits of the trade is for the establishment and maintenance upon a national scale of recreative centres. It will have been seen, however, that the proposals of the Public-House Trust Company given above provide for "making donations or subscriptions to any society institution trust organisation or charity now existing or hereafter to exist," while the following section, among other things, proposes that the profits shall be in part applied "in acquiring sites for and building and restoring altering enlarging maintaining and endowing churches chapels whether intended to be consecrated or not," and also towards colleges, schools, school-houses, etc.

Now religion and education ought to provide much of the moral force needed in the struggle against intemperance, and hardly any scheme could be devised more unfortunate than that of giving the churches and the schools an interest in the drink trade by making their incomes dependent in part upon the traffic. The gift which "blindeth the wise" would exercise its ancient and familiar power. A deadening influence would inevitably pass upon those who should be the guardians of the moral forces. To aid the rates, as in Gothenburg, out of the profits of the trade is admittedly dangerous, and the Trust Companies, recognising this, provide that their profits shall not be so expended. But the proposals under consideration might easily inflict a deeper injury



upon the true life of the nation than actual contributions in relief of rates. It is true that, at the end of Section II., certain counteracting agencies are named, but these would stand a poor chance of effective support if brought into competition with public institutions and private charities. The objection is less obvious to making contributions from the drink profits in support of hospitals, but those who have served upon the committees of such institutions, and have realised how much could be accomplished with ampler funds—often so difficult to obtain—will question the wisdom of making the maintenance of the income of these institutions dependent upon an undiminished drink traffic.

Earl Grey, in dealing with the question of the disposal of the profits, says: "It is desirable that different experiments should be tried." This is true if the experiments are conducted within clearly defined lines and on principles which experience has now established. But to disregard experiments conducted on a large scale and over a long term of years, and to put the whole question afresh into the crucible, cannot be wise.

Happily these proposals for the disposal of the surplus profits form no integral part of the general scheme of the Public-House Trust movement. As will be seen in a subsequent section of this chapter, the proposals of the Glasgow Trust Company under this head are admirable. It will be for promoters of the various local schemes to see that the arrangements for the disposal of profits are in each case similarly safeguarded.

#### THE NORTHUMBERLAND PUBLIC-HOUSE TRUST COMPANY, LIMITED

The general scheme of this Company is similar to that of the Hampshire Trust, but in such matters as



the constitution and government of the Trust, and the safeguards devised to prevent abuse, there are differences that call for brief mention.

The government of the Company may be considered under two broad divisions, the first having reference to the work of administration and management, while the second comprises the checks and safeguards that have been provided to secure that the original intention of the promoters shall be adhered to.

The *ordinary administration* of the Company is carried on by directors who are appointed by the shareholders, and to them belong virtually all matters of ordinary administration and working other than the appropriation of the surplus profits.

The scheme for *safeguarding the policy* of the Company is based upon the power given to the trustees as holders of the deferred shares. This power can be exercised in two ways. First, the holders of the deferred shares, as members of the General Meeting of the Company, have a voting power equal to that of all the ordinary shareholders, and so can exercise an enormous influence in determining the broad lines of policy to which the directors must adhere. Secondly, the appropriation of the whole of the surplus profits of the Company rests with the holders of the deferred shares *acting under the instructions of the Council*. The constitution of the Council is therefore a matter of vital importance. As in the case of the Hampshire Trust, it consists of *ex-officio* and of elected members. The elected members are not, however, chosen either by the shareholders or by the directors, but are virtually self-elected, the *ex officio* and the elected members uniting to fill up any vacancy that may occur in the ranks of the latter.

Each elected member upon being elected, and each



*ex-officio* member, is required to sign, and is not entitled to act until he has signed, an undertaking to observe the provisions and the bye-laws for the time being in force for the management of the Trust.

The "Deed of Foundation" provides that the following shall be the Council :

(a) *Ex-officio* :

The Lord-Lieutenant for the time being of the County of Northumberland.

The Chairman for the time being of the Northumberland County Council.

The Chairman of the Standing Joint Committee of the County of Northumberland.

The Mayor for the time being of the City and County of Newcastle-upon-Tyne.

The Principal for the time being of the College of Science, Newcastle-upon-Tyne.

The President of the Northumberland Miners' Association.

The Chairman for the time being of the Wholesale Co-operative Society, Newcastle-upon-Tyne.

(b) *Elected* :

Viscount Ridley, Blagdon, Northumberland.

Sir Andrew Noble, K.C.B., Jesmond Dene House, Newcastle-upon-Tyne.

Sir Edward Grey, Bart., M.P., Falloden, Northumberland.

Sir B. C. Browne, Westacres, Newcastle-upon-Tyne.

Sir W. H. Stephenson, Elswick House, Newcastle-upon-Tyne.

C. W. C. Henderson, Esq., The Riding, Hexham.

C. W. Mitchell, Esq., Jesmond Towers, Newcastle-upon-Tyne.

Robert Knight, Esq., Highbury, Newcastle-upon-Tyne.

This arrangement, giving great voting power to the holders of the deferred shares, will be valuable as a safeguard against any serious departure from the intention and policy of the promoters, especially when it is remembered that the trustees, as members of the shareholders'



meeting, will have a powerful influence in determining the choice of directors.<sup>1</sup>

#### APPROPRIATION OF SURPLUS PROFITS

The objectionable features in the clauses governing the appropriation of surplus profits which appear in the Articles of the Hampshire Trust Company are modified in the case of the Northumberland Trust Company. Section I. is the same in both, but Section II. in the Northumberland Articles is as follows:

“In acquiring sites for and building restoring altering enlarging maintaining and endowing hospitals infirmaries colleges schools school-houses clubs institutes museums picture and other art galleries libraries reading-rooms public baths gymnasiums parks gardens open spaces and other lands and buildings dedicated or intended to be dedicated to the public.”

Section III. provides for the furnishing and equipping of the above, while Section IV. reads:

“Generally in the uncontrolled discretion of the Council in the establishment maintenance and furtherance of objects of public utility education amusement recreation or charity either local or general in character.”

<sup>1</sup> In the case of the directors an additional safeguard is furnished in the provision that, “The office of a director shall be vacated if he becomes directly interested in the carrying on of the manufacture or sale of intoxicating liquors, but so that no person shall be disqualified from being a director by reason only of his being interested in a Company or undertaking having similar or partly similar objects to those of this Company, or in a railway or other company carrying on the manufacture or sale of intoxicating liquors as an incident of its principal business.”



## 118 PUBLIC-HOUSE TRUST COMPANIES

Many of the objects enumerated above may justly be regarded as direct counter-attractions to the public-house; but there are others concerning which considerable misgiving will be felt.

### BORROWING POWERS

The borrowing powers of the Northumberland Trust are substantially the same as those of the Hampshire Trust, and the clause under which provision is made for the direct representation of the creditors of the Company upon the directorate also reappears. These clauses will be necessary if extensive purchases of licences are made, but the dangers implicit in them have already been pointed out.

### REMUNERATION OF DIRECTORS

Article 82 provides that the directors' remuneration shall be fixed by the shareholders in General Meeting.

### GLASGOW PUBLIC-HOUSE TRUST, LIMITED <sup>1</sup>

One of the most interesting and promising of the Company experiments about to be made is that of the Glasgow Public-House Trust, incorporated March, 1901. Its capital of £25,000 is divided into 25,000 shares of £1 each. The dividend, which is cumulative, is limited to 4 per cent. per annum. The chairman and directors are influential Glasgow citizens, and the secretary of the Company is Mr. John Mann, junior, who for many years

<sup>1</sup> For the relation of this Trust Company to Earl Grey's Association see p. 102 (footnote).



has been a careful student of the Company system: it is probable that the provisions of the Glasgow Trust owe much to his full knowledge of the question.

### OBJECTS OF THE TRUST

In their prospectus the directors say that they "will enter into the work prompted by a sense of public duty, and deeply impressed by the dangers inherent in this disagreeable but lucrative trade, and in the rapidly growing monopoly of the traders." This passage strikes the keynote of the policy of the Company as laid down in their Memorandum and Articles of Association.

### ITS NON-COMMERCIAL CHARACTER

While the directors state that they "are co-operating with those who are organising similar companies throughout Scotland and England, with the object of working upon a common basis and constitution," their enterprise has certain satisfactory features which are peculiar to itself. Thus the dividend upon the shares is a dividend of 4 per cent.,<sup>1</sup> while in most other Trust Companies it is 5 per cent. Again, by Clause 79 of the Articles of Association it is provided that "the directors shall receive

<sup>1</sup> With Scotch caution the directors have, however, made the proviso thus explained in their prospectus: "To meet any difficulty, should it arise, in obtaining money at 4 per cent., and to avoid the stoppage of a good work for want of capital, the directors have thought it prudent not to make it impossible to offer 5 per cent., should changes in the value of money or different circumstances require the payment of this rate. Accordingly, the Memorandum of Association authorises a maximum of 5 per cent., but this power can only be exercised by a majority of three-fourths of an extraordinary meeting of shareholders."



no remuneration," while in other Trust Companies provision for their remuneration is usually made. This last point is perhaps of more importance than may at first appear. Men are not paid for services upon a town council, or upon a school board, or upon a board of guardians. The sacrifice of time and labour involved is regarded as a public duty. In Norway, with, we believe, the exception of two companies, the *Samlag* directors are not paid. In the long run men of high social ideals are, we think, more likely to be found upon the directorate of a controlling company when the office carries no remuneration than when it does.

#### METHOD OF ACQUIRING LICENCES

The Glasgow Trust "offers to take up and manage new licences which the authorities *may deem it necessary to grant.*" To quote again from the prospectus, "the directors of the Trust say in effect to the authorities, 'If you grant a licence in this district at all, we ask that it be granted to us in the public interest, to be managed as a public trust.<sup>1</sup> We shall hold the profits at the disposal of the trustees, and we shall be prepared to surrender the licence at any time if authoritatively required, without a suggestion of compensation.'" The Trust "may also acquire existing licences, if obtainable on reasonable terms." So far as the occupancy by the Trust of new ground *which otherwise would be occupied by the private*

<sup>1</sup> Referring to the application by the Glasgow Public-House Trust for a licence for Anniesland, the Rev. D. M. Ross, D.D., writing to the *Glasgow Herald* under date April 9th, 1901, says: "It seems to me unfair to suggest that Mr. Mann and his directors are trying to foist a licence upon a protesting community. As Mr. Mann has explicitly said, 'We do not press for this licence, but we ask you not to give it to anyone else.'"



*trader* is concerned, the position of the Company is clear and strong. But in the Glasgow as in the Hampshire Trust, dangers gather around the proposals for the purchase of licences. The large sums that may be involved in such transactions, together with the demand for capital that would ensue, necessarily lead to the adoption of Articles for the protection of the creditors identical with those which appear in the Articles of the Hampshire Trust, and which have been discussed on a previous page.<sup>1</sup> It is, however, to be noted that in the Glasgow Articles no restriction is placed upon the number of ordinary directors who may be appointed.

#### APPROPRIATION OF PROFITS

The scheme for the destination of surplus profits is so excellent that with perhaps the omission of a few words it might well serve as a model for other Associations. Clause 108 of the Articles of Association provides in respect of the surplus profits: "(1) that no portion thereof shall be applied in direct relief of the rates; (2) that the trustees, while not disregarding other objects which they may consider of benefit to the public, shall have special regard to such means of rational recreation and entertainment as shall tend to diminish in the community the undue consumption of alcoholic liquors; and (3) that the trustees may pay over part or the whole of the profits into the national exchequer if they deem it expedient."

The Glasgow Company hands over the administration of the surplus profits to a body of trustees.<sup>2</sup> The Articles

<sup>1</sup> See p. 103.

<sup>2</sup> The duty of the trustees in the Glasgow Trust Company is confined to the administration of the surplus profits; they have not the special voting power of the trustees in the Hampshire and Northumberland Trust Companies.



provide that the first trustees shall be appointed by the directors, and shall hold office until the Ordinary General Meeting of the Company in 1904. Prior to that time the trustees, together with the directors for the time being, are to "prepare a scheme containing full provisions as to the method of election or nomination of a body of trustees . . . it being understood, however, that any such scheme shall be settled on the basis that at least half of the trustees acting under it shall be appointed by the Company or its directors, and that no alteration shall be made by it in the destination of the surplus profits hereinbefore set forth." The names under the first appointment are as under :

### Trustees

(For administration of surplus profits).

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Sir John Stirling-Maxwell, Bart., M.P.

Sir James King, Bart.

Sir John Neilson Cuthbertson.

J. G. A. Baird, Esq., M.P.

Charles Douglas, Esq., M.P.

J. Parker Smith, Esq., M.P.

M. H. Shaw-Stewart, Esq., M.P.

John Inglis, Esq., LL.D.

J. O. Mitchell, Esq., LL.D.

John Ure, Esq., LL.D.

Hugh Steven, Esq.

Whether it is expedient to withdraw from the directors the responsible and interesting duty of administering the surplus profits may be doubted. The best men are wanted as directors, and such are not likely to look with



favour upon an arrangement under which important duties are removed from their care and placed in the hands of an outside body.

#### CHECKS AND SAFEGUARDS

The question may be asked: In what way does the Glasgow Trust Company guard against its capture at some future time by the Trade?<sup>1</sup> It has none of the machinery for this end elaborated by Earl Grey of deferred shares carrying great voting power and held by occupants for the time being of high official positions in the district. We should judge that reliance is placed upon the objects of the Company as clearly set forth in the Articles of Association, and more particularly upon Clause 19, which runs: "The directors may, in their absolute discretion, without assigning any reason, decline to register the transfer of any share, whether wholly or partly paid up, to any person not approved of by them, and in the event of any such refusal at any time, the person to whose transfer such refusal relates shall have no right or cause of action of any kind in respect thereof."

Experience alone can show whether these safeguards are sufficient. An additional safeguard might be found by adding to the list of disqualifications of directors a rule similar to that of the Northumberland Trust, which provides that the office of a director shall be vacated if he acquires a direct interest in the manufacture or sale of alcoholic drinks.

<sup>1</sup> It may be said that the experience of Norway shows the danger of such capture to be unreal, but in that country all the licences in a town are given to one company, and if it abused its trust the licensing authorities would at the next issue transfer the licences to another company.



## APPOINTMENT OF LOCAL COMMITTEES

An arrangement of practical value remains to be noticed in the power given to the directors "to appoint local committees, not necessarily members or directors of the Company, with such powers and duties as the directors may think proper." The right conduct of the counter-attractions will require much time and thought, and probably many would gladly share in this duty who would be unwilling to take part in the direct management of the Company houses.

THE EAST OF SCOTLAND PUBLIC-HOUSE  
TRUST, LIMITED<sup>1</sup>

This Trust Company was incorporated in April, 1901. Its capital of £50,000 is divided into 50,000 shares of £1 each. The dividend, which is cumulative, is limited to 5 per cent. per annum. The Articles of Association provide that the remuneration of the directors shall be fixed by the Company in General Meeting. The "Methods of Management," as set forth in the prospectus, are as follows:

"The methods of management adopted by the Company must necessarily be subject to such modifications as experience and a fuller knowledge of the districts in which its operations are conducted suggest, but the general objects at which the management will aim will include the following:

- "1. In each house a carefully selected manager will be placed, and, where considered advisable, local

<sup>1</sup> For the relation of this Trust Company to Earl Grey's Association see p. 102 (footnote).



boards or committees will be appointed to supervise the management in different local areas.

- "2. Food and a variety of non-alcoholic beverages will be provided, and every means will be taken to encourage their consumption. The greatest care will be taken that everything supplied is of the best quality obtainable.
- "3. The manager will be paid a fixed salary, with a commission on all trade in food and non-alcoholic liquors. No commission will be allowed on the sale of alcoholic beverages.
- "4. In selecting managers, every endeavour will be used to obtain men who will be in hearty sympathy with the policy of the Company, and who will assist in carrying out (in the spirit as well as in the letter) the licensing laws enacted by Parliament for the regulation of public-houses and the promotion of temperance."

As in the case of the Glasgow Trust Company, the surplus profits of the undertaking, after payment of dividend and "after making provision for depreciation, for reserve funds, for loss arising from extinction of licences and for other contingencies . . . will be paid over to trustees, to be applied by them to such objects of public utility and well-being as may be determined, special regard being had to such means of rational recreation and entertainment as shall tend to the diminution of intemperance."

The provision governing the appointment of trustees is the same as in the Glasgow Trust.

The first trustees for the administration of surplus profits are :

Sir Ralph Anstruther, Bart., of Balcaskie, Pittenweem.



Sir T. D. Gibson Carmichael, Bart., of Castlecraig,  
Dolphinton.

Professor John Chiene, C.B., F.R.C.S.E., 26, Charlotte  
Square, Edinburgh.

T. S. Clouston, M.D., F.R.C.P., Tipperlinn House,  
Morningside, Edinburgh.

Sir Mitchell Thomson, Bart., 6, Charlotte Square,  
Edinburgh.

J. P. Wood, W.S., 16, Buckingham Terrace, Edinburgh.

The Articles of Association contain the wholesome provision, the substance of which is incorporated in the Articles of other Public-House Trust Companies, that "The directors may, in their absolute discretion, without assigning any reason, decline to register the transfer of any share, whether wholly or partly paid up, to any person not approved of by them."

The elements of danger in this Trust Company, as in the others, lurk in the provisions which are designed to meet contingencies that may arise from the proposed purchase of licences.

It is impossible to study in detail the proposals of the promoters of the Public-House Trusts without being impressed by the careful thought and seriousness of aim that have been brought to bear upon the schemes. The criticisms that the present writers have ventured to offer are necessarily based upon the statement of policy in the prospectus of each company, and upon the provisions for giving effect to such policy in the Articles of Association. Inasmuch as the companies have not yet begun actual operations there is not, as in the case of the experiments discussed in the earlier chapters of this book, any experience to which to appeal. It may well be that when such experience has been acquired it will be found



that we have underestimated the advantages, or overestimated the dangers, of certain provisions. But it needs no experience to show that such a policy as the purchase upon a large scale of licences will give the Trust Companies vested interests that must necessarily conflict with their efficiency as instruments of reform. Examination appears to show that under the existing law the serviceable sphere of such companies must be of a restricted character. Their chief value would appear to be experimental, and, if carefully conducted, they will be useful in educating and ripening public opinion for further legislation. It is therefore of great importance that nothing shall be done for the sake of extended operations that will impair the value of the object-lesson. It is of even greater moment that no policy shall be entered upon which, owing to insufficient safeguards or inherent defects, is likely actually to prejudice the principle of public management by obscuring the possibilities of the system when wisely conducted and controlled.

There are probably few earnest citizens who will not sympathise with the eager desire of the promoters to avail themselves of such opportunity for effecting reform as exists under the present law; but one fact that stands out clearly from the foregoing pages is the relatively small result, in comparison with the problem that claims attention, that the Trust Companies can hope to achieve. Even under the dangerous policy of purchase the number of houses they can hope to acquire will be but a very small proportion of the total number of licensed premises in the country. The attempt, therefore, earnest as it is, only serves to emphasise the urgent need of legislation which will make substantial results possible.



## CHAPTER XI

### Conclusion

IN considering some of the preceding schemes, and especially the Public-House Trusts, it must be frankly stated that they suggest the idea that the promoters look to the present *normal* consumption of alcohol continuing, though under less dangerous conditions than at present, rather than to a substantial reduction. If such an idea really exists in the minds of the promoters, then it marks at once a fundamental defect in the schemes as instruments of reform. Nothing is clearer than the fact that the present consumption of intoxicants in this country is not only excessive, but seriously subversive of the economic and moral progress of the country, and no scheme of reform can be regarded as satisfactory that is not solidly based upon a clear appreciation of this fact and a determined intention to alter it. In the judgment of the present writers the most decisive test of any scheme of temperance reform is its ability to effect a considerable reduction in the national consumption of alcohol. The good conduct of the traffic is certainly a consideration of high importance which no careful reformer will underestimate; but no one who studies the public-house problem in its relation to the economic and moral progress of the people and the present and ultimate needs of the State, can fail to see that much more is required than



what is ordinarily understood by the good conduct of the traffic and the discouragement of flagrant intemperance. The advancement of civilisation, accompanied as it has been by an increasing severity of international competition, has necessitated a stricter inquiry into the conditions of national success and well-being, with the result that we now see how seriously the welfare of the State is threatened by the present excessive expenditure upon alcohol.

The facts ascertained cannot fail to have far-reaching effects in modifying the national attitude toward intemperance. While there is nowhere a disposition to restrict the rightful prerogatives and freedom of the individual, there is a growing appreciation of the power of law and of social arrangements in educating public opinion and tastes, and especially in directing thought and effort towards moral development and self-control. Good management may make the public-houses respectable, and it may also diminish flagrant intemperance and disorder; but if it accomplish no more than that it will fail to make any important contribution to the solution of a grave and pressing problem. The chief test of any scheme of temperance reform, let us repeat, is its ability to bring about a substantial reduction in the national consumption of alcohol. It is not a small or unimportant fact that if the consumption of alcohol per head of the population in this country could be brought down even to the level of the American consumption, our national drink bill would at once be reduced by £66,000,000 per annum!

#### RELEASE OF LOCAL PROGRESSIVE SENTIMENT

Another essential requirement in any scheme of reform is that it shall leave localities free to work out their own salvation from the evils of the drink traffic. It is one of



the condemnations of existing licensing arrangements that they fetter and retard the progressive instincts of a community, whereas substantial progress can only be made under a system which will quickly register such progressive sentiment and give it full opportunity for effecting reforms. At the same time, security must be taken that local interests shall not alone determine the policy to be adopted; and especially is it necessary that the State, by explicit legislative provisions, shall make it impossible for municipal or local cupidity to take the place of private cupidity. In such a matter as the appropriation of the profits it would obviously be unsafe to give absolute freedom of action to the locality. The theory that only by allowing a wide variety of practice can we hope to discover the best method of appropriation overlooks the fact that already a large body of decisive evidence has been established. Experience shows that, in the absence of explicit legislative provisions, methods of appropriation are likely to be adopted that would injuriously affect the cause of temperance in certain localities by offering inducements for the continuance of the traffic (in the form of subsidies and other local benefits) which even an advanced temperance sentiment could hardly hope to withstand.

We would suggest that the true lines of policy to be adopted in proposals for the public management of the liquor traffic are suggested by the principles followed in much of the best modern social legislation, and especially in such cases as the Poor Law, Public Health legislation, and the Education Act. All of these Acts have one feature, or, more strictly, one general principle in common. In each case the broad lines of policy are explicitly defined and are subject to central supervision and control, but the details of the policy and the actual administration of the Acts are reserved as matters of local



arrangement. In this way local initiative and energy have been powerfully called out, and release has been given to the progressive sentiment in a community. In the judgment of the present writers the promoters of public management will move upon the lines of safety by observing the general principles of the Acts named above. If supervision and control by the Central Government are needed in regard to the matters covered by those Acts, still more must they be needed in connection with the control of a monopoly so dangerous as that of the drink traffic—a traffic which, while it enriches private persons, throws heavy burdens upon the State.

The first step is clearly to ascertain in the light of available experience the limits within which localities should be free to undertake experiments, and then, when the necessary limitations and safeguards have been imposed by law, localities should be left free to work out their own salvation in their own way.

#### A NEGLECTED FACTOR

But there is another point that must be considered. The facts of intemperance are eloquent of moral enfeeblement and economic waste. Do they not also testify to a deep-lying moral and intellectual need? In our estimate of the problem hitherto, have we sufficiently allowed for the fundamental needs of human nature, and for the compelling force of those social and recreative instincts whose legitimate gratification is a part of the scheme of progress? It is the conviction of the present writers that no scheme of temperance reform can be satisfactory that does not include a full recognition of these social and recreative instincts. The attractiveness of the public-house for the average man or woman has



results that are often disastrous; but any one who has knowledge of city and even of village life knows that at bottom the public-house problem is largely (by no means wholly) a question of forgotten needs—the revolt of certain neglected qualities in men which, when allowed favourably to expand, become the instruments of progress. It may be well to abolish the public-house, but it is ill if our effort end there. But *can* it end there? What is to take the place of the public-house? This is a question which is by no means premature, and which cannot afford to wait. The social instincts of the people will not be denied, and we shall be wise as a community to recognise this and to give them their legitimate place in the scheme of human progress.

It is for this reason that the present writers attach so much importance to the provision, in any scheme of temperance reform, of adequate and efficient counter-attractions to the public-house. Their criticism of the arrangements made in some of the foregoing schemes for the appropriation of surplus profits is not merely based upon the fact that such appropriations are in themselves inexpedient or calculated to hinder progressive temperance reforms, but that they overlook or give inadequate attention to one of the fundamental facts in the problem of intemperance. So long as no really effective challenge is given to the public-house as the working-man's club and meeting-place, so long will it be comparatively useless to expect an improvement in popular tastes and an appreciable diminution of intemperance.

But here again it is necessary to observe that any attempt to meet this need by associating recreations and amusements *with the sale of liquor* must certainly fail of its object. Such an arrangement might conceivably lead to reduced drinking in the case of a few regular



frequenters of the public-house, but any good that it might accomplish in this direction would be far outweighed by the temptations and inducements it would offer to multitudes of youths and girls who have not yet learned to frequent the public-house. If the problem of reform be really to break a tyrannous national habit which has grown to disastrous proportions, it would seem self-evident that nothing must be done that would make the attractions of the public-house more seductive. The aim and effect of temperance reforms should be to draw men away from, rather than attract them to, the public-house.

#### THE NECESSITY FOR A MONOPOLY

Further, in the working of the Company system it is essential to its full success that a Company should take over the *whole* of the retail licences in a town. A partial experiment covering the operation of a few licences only will necessarily be hampered by competitive conditions. Even if no actual disaster arises, an experiment working under such conditions can give no sufficient demonstration of the possibilities of public management. In such a matter as the retail sale of liquor, competition does not make for betterment, but, on the contrary, is calculated almost in the nature of things to lower the standard of management. "The chief test of competition," according to Mr. Sidney Webb, "is success in attracting the consumer." Gresham's law of currency—namely, that bad money drives out good—is, in Mr. Webb's opinion, "equally applicable to all forms of competition. In the matter of municipal competition in the drink trade the private drink-seller would drive out the municipal one." A company or municipality could easily enforce stringent regulations if it had a monopoly of the local



traffic—*i.e.* when the choice open to the customer lay between stringent regulations or no liquor. But when it is a case of unattractive and carefully regulated sale *versus* attractive and free sale, the former will have no chance.

It would, for example, be of little use providing that in the Company houses no credit should be given, that no female bar-tenders should be employed and that no adventitious attractions should be added, if in their near neighbourhood ordinary licensed houses existed in which none of these restrictions were enforced. The full measure of the competition which such isolated experiments must encounter is made plain by the number of licensed premises which already exist in the towns, of which we append a few examples :

		"On"		"Off"		Total Number of Licences, "On" and "Off."
		Licences.		Licences.		
Southampton	...	468	...	100	...	568
Manchester	...	2,222	...	746	...	2,968
Sheffield	...	1,159	...	639	...	1,798
Leicester	...	456	...	389	...	845
Leeds	...	745	...	437	...	1,182
Bristol	...	1,038	...	329	...	1,367
Birmingham	...	1,600	...	567	...	2,167
Nottingham	...	595	...	488	...	1,083

In view of figures such as these, which reflect a condition of things universal in the towns, what important results can be expected from isolated experiments which control a few licences only? So, too, in the matter of those constructive agencies which are now so widely seen to be needed in the struggle against intemperance. Few now dispute the fact that if important success in temperance is to be achieved one chief factor in such success must be the provision of efficient counter-attractions to the public-house. But such counteracting



agencies, even if they could be provided on a scale far greater than is likely to be possible in the absence of a monopoly, would be placed under very unfavourable conditions for success if they were exposed (as they would be) to the competition of privately conducted public-houses in which adventitious attractions were provided. In this connection it is to be noted that the experience of the United States, together with recent declarations in the English Trade journals, point to a possible wide extension of "attractions" in the public-houses of this country. The *Licensed Trade News*, for example, in its issue of December 1st, 1900, in referring to proposals for the establishment of counter-attractions to the public-house, said: "There is a growing disposition to meet the publican 'with his own weapons,' it would seem, and what the Trade has to do is to imitate the national attitude in this warfare, and see that it provides itself with the best weapons wherewith to meet the new competition. . . . It behoves us to see that we meet this new attack with bold effectiveness. . . . The law very rigorously prevents cards, billiards, and games of chance, and perhaps, with the sporting inclination strongly developed in our masses, the restriction at times is as judicious as at others it is galling. But cards or no cards, billiards or not, the public-house still contains a perfect fund of unexplored possibilities, which the competition of well-meaning 'enemies' will compel us to expose to view. If drinking is to be subsidiary to rational entertainment, as indeed it should be, and the working-classes, in whose electoral hands the power is, want to extend the opportunities of the smoke-room, or will wisely and well avail themselves of what the Trade, prodigal in speculation, will offer them, we have not a shadow of fear as to the future of the public-house. We



can respond to every call the legitimate opponent can put forth."

Nor must it be forgotten that limited and partial experiments will fail altogether to secure that release of the progressive sentiment in a community which is one of the primary aims of reform. They may, indeed, while inspired by admirable and absolutely disinterested motives, actually commit themselves (as in Kelty) to lines of action disapproved by an important and even preponderating body of local opinion. They are in any case prevented from securing the unity in method and administration which is urgently needed in the local conduct of the liquor traffic.

The promoters of these isolated experiments are evidently well aware of the limitations that attach to partial control, and they would probably unite with the chairman of the Glasgow Trust in suggesting that the *raison d'être* of such experiments is "the despair of receiving any early or effective help from Government" which would make monopoly possible. But while such a consideration appeals powerfully to many earnest reformers at the present time, and has much on the face of it to commend it, it should not be allowed to divert thought from a common effort to remove the only serious obstacle to monopoly by securing a Declaratory Act which would solve once for all the vexed question of compensation. The real hindrance to monopoly, as to all effective temperance reforms, is the reluctance of the community summarily to dispossess the private publican without notice or compensation. This being so, it is clearly imperative that temperance reformers of all schools should unite in compelling a settlement of this difficulty by the enactment of a national time-notice, accompanied by a provision for money compensation (raised from the



Trade) if the time-period should be anticipated by the action of the community. Once this were secured "the field would be clear for any further legislation, experimental or otherwise, which Parliament might be disposed to enact."

Meantime, if these isolated experiments are to proceed, it is desirable that they should proceed upon lines that will not ultimately prejudice the larger undertakings that their promoters desire to see inaugurated.

#### WIDESPREAD ACCEPTANCE OF THE PRINCIPLE OF PUBLIC MANAGEMENT

The evidence we have given of the number and rapid extension of companies worked upon "Gothenburg" lines will be sufficient to show that the system has taken firm hold of the public mind, and that, for good or evil, it has come to stay. The hindrance at present to its wide extension arises from the difficulty of obtaining new licences. Were the ground once cleared by the adoption of a time-notice such as is proposed by Lord Peel, the Company system would probably receive immediate and enormous expansion. And if the system were once established on a wide scale without adequate safeguards, legislation with regard to it would become extremely difficult; communities which had for a few years found themselves in possession of large incomes from the profits of the trade would certainly be unwilling to surrender them. The peculiar danger of the system as carried on in the town of Gothenburg, of making the people interested in the maintenance of the traffic by using the profits in relief of rates, would then be experienced in this country. A very few years might suffice to give the system such lodgment that it could not afterwards be displaced. It cannot, therefore, be too strongly urged upon temperance



workers, and not least upon those who are hostile to the Company system, that the question is no longer whether there shall be Companies or whether there shall not, but it is simply *whether there shall be Companies under wise and adequate control, or whether they shall exist without such control?* The present is the "psychological moment" which the Temperance party may either take or neglect. They have it, we believe, now in their power to make sure that any form of the Company system that may continue or come into existence after the years of notice to the Trade have expired, shall be upon wise lines. It may be useful and necessary that they should criticise with the utmost keenness the experiments now in force. But if temperance effort ends with these criticisms, and if no effort is made to unite the temperance forces in favour of some policy for securing adequate control over these Companies, the golden opportunity will soon be passed and it is difficult to see how it can return. On every side there is evidence that the nations will not much longer allow the monopoly profits of the drink trade to pass into private hands. One country after another is appropriating these profits for public purposes. The State Spirit Monopoly which Russia tentatively applied to four of its provinces in January, 1895, has from July 1st of this year been extended to the whole of European Russia. In Sweden and Norway since the seventies the retail sale of spirits has been in the hands of Companies, while under the Dispensary System four of the States of the North American Union have more or less taken the sale of liquor into their own hands.<sup>1</sup>

<sup>1</sup> As we write, evidence reaches us that in South Australia proposals are being pressed for State control of the retail liquor traffic, and, as is known, the "South African Alliance for the Reform of the Liquor Traffic" is urging that a Government



The inevitableness of this national movement and the policy to which it so clearly points were thus referred to by Lady Henry Somerset in the *Contemporary Review* for October, 1899 :

“Four-fifths of the amount of the profits from the drink are monopoly profits, unearned by those who at present enjoy them; and if they must be earned at all, they are rightly the property of the nation. The people are awakening to this, and soon they will claim and obtain their own. Would it not, therefore, be well, *while yet there is time*, to ally with the inevitable transference of the monopoly profit of the liquor trade of the nation a scheme which, with the people's sanction, would restrict the mischief of the trade within the narrowest limits, and use the profits arising from it for the promotion of the people's well-being, instead of, as at present, allowing it to be used for the poisoning of local self-government, the degradation of politics, municipal and national, and the throttling of the Commonwealth?”

monopoly of the traffic should be established in the Transvaal and the Orange River Colony. It is also noteworthy that, more recently still (July 9th, 1901), a motion that the Natal Government should introduce a Bill for the municipalisation of the liquor trade at Durban was carried in the Legislative Assembly without a division.







## APPENDIX

IN attempting in an earlier volume (*The Temperance Problem and Social Reform*, 9th edition) to sum up the broad conclusions to which their investigations had led, the present writers endeavoured to concentrate attention upon a few important points which they believe to be fundamental in any effort to solve the problem of intemperance.

For the convenience of those who have not access to the last edition of the earlier volume, and to prevent misunderstanding, the summary there given is now appended :

### *1. Summary of leading propositions on which legislation should be based*

The propositions which we have attempted to establish are chiefly these :

(a) That the present consumption of intoxicants in this country is not only excessive, but also seriously subversive of the economic and moral progress of the nation.

(b) That the enormous political influence wielded, directly and indirectly, by those interested in the drink traffic, threatens to introduce "an era of demoralisation in British politics," and that this menace to the independence of Parliament and to the purity of municipal



life can only be removed by taking the retail drink trade out of private hands.

(c) That when the retail trade is taken out of private hands, regulations for its conduct can be quickly adapted to the special needs of each locality, and reforms now difficult to attain, such as Sunday closing, reduction in the number of licensed houses, the shortening of the hours of sale, the non-serving of children and of recognised inebriates will then become easy of accomplishment.

(d) That in the present state of public opinion the adoption of prohibition *in the large towns* is to be regarded as impracticable, although it is possible that local veto might be successfully exercised in a suburb, or ward, of a town.

(e) That in no English-speaking country has the problem of the intemperance of large towns been solved.

(f) That an examination of the causes of alcoholic intemperance shows us that, whilst some of these are beyond our reach, others that are of the utmost importance are distinctly within the sphere of legislative influence.

(g) That we must recognise as among the chief causes of intemperance the monotony and dulness—too often the actual misery—of many lives, coupled with the absence of adequate provision for social intercourse and healthful recreation.

(h) That it is unreasonable to expect to withdraw men from the public-house unless other facilities for cheerful social intercourse are afforded. Such counteracting agencies, to be effective, will cost a great sum—estimated by the present writers at £4,000,000 per annum.

(i) That this sum can be easily obtained if the retail trade is taken out of private hands, but that it is not likely that the necessary funds will be furnished either from municipal taxation or the national revenue.



2. *The proposed lines of action and how to safeguard them*

A careful attempt has been made to frame practical proposals in harmony with the foregoing propositions. The proposals made frankly recognise: First, that reforms to be effective must be *constructive* as well as *restrictive*. Secondly, that they should reach as far as the progressive spirit of the community will allow, and should be consistent with further advance. Thirdly, that they should educate and set free the latent progressive resources of each locality.

The present writers are well aware that objection has been taken to schemes for the municipalisation of the drink traffic, on the ground of the possible danger of the trade being run for profit in order to reduce the rates. This danger is, however, not merely remote from, but absolutely destroyed by, the present proposals.

These proposals provide for a system of local restriction and control from which all that is commonly objected to in schemes for public management has been effectually and of set purpose excluded.<sup>1</sup>

It is provided:

(a) That localities shall have permissive powers to organise and control the retail traffic in liquor either directly through the municipal council or through a company (as in Norway), but always under the direct

<sup>1</sup> "I have argued for years against every form of municipalisation. I have denounced it in a hundred towns. But Messrs. Rowntree and Sherwell's scheme has met all the objections which I have ever urged, and for the first time we are presented with a plan which the sworn prohibitionist can adopt without compromise of deep conviction and without fear of ultimate danger and loss."—REV. C. F. AKED, *Paper read at the National Council of Free Churches*, March, 1900.



supervision of the central government and only within clearly defined statutory limits.

(b) That the *whole* of the profits shall be handed over to a central State Authority for disbursement, the first charge upon such profits to be the provision and maintenance of adequate counter-attractions to the public-house, the balance of the profits being paid into the national exchequer.<sup>1</sup>

(c) That the *sole* benefit which a locality shall receive from the profits of the traffic shall be an annual grant from the State Authority for the establishment and maintenance of recreative centres, the primary object of which shall be to counteract the influence of the drink traffic—such grant to be a fixed sum *in ratio to population and not in ratio to profits earned*.

(d) That similar grants shall be made to prohibition areas, all inducement to continue the traffic for the sake of the grants being thus effectually destroyed.

(e) That where municipal councils adopt the system and elect to control the traffic, they shall, as in the case of the present technical education committees, invite the active co-operation of a fixed number of influential citizens, other than members of the council, in the work of local management.<sup>2</sup>

(f) Finally, the right of prohibiting the traffic is placed within the power of every locality.

<sup>1</sup> In any scheme for the disbursement of profits regard would of course be had to necessary appropriations for sinking-funds, etc.

<sup>2</sup> That the scheme, in its provision of recreative agencies, would require for its full success the active co-operation in each locality of earnest citizens is certain. But the experience of School Boards especially has shown that there is no lack of high-minded and gifted men and women willing to devote time and labour to well-devised schemes of social service.



It is evident, therefore, that the conditions would be such as to destroy the risk of municipal corruption. That the scheme, by enlarging and enriching the idea of municipal responsibility, would have an entirely opposite effect could, with equal explicitness, be shown. As Lord Rosebery has admirably put it: "The larger the sense of municipal responsibility which prevails, the more it reacts on the corporation or the municipality itself. By that I mean this, that the men outside the municipality, or who have hitherto held aloof from municipal government, when they see the higher aims of which the municipality is capable, when they see the wider work that lies before it, when they see the incomparable practical purposes to which the municipality may lend its great power, are not inclined any longer to hold aloof."<sup>1</sup>

### 3. *How the scheme could be carried out*

But it may be asked, How is this scheme to be carried out? What obstacles stand in the way of its adoption? There can be but one reply. It is the question of compensation that blocks the way to all far-reaching temperance reforms. Neither the proposals advocated in this chapter, nor local veto, nor any other important scheme of reform, can be carried out until the question of compensation has been settled. The present writers believe that this settlement must be effected upon the basis of a national time-notice. On this ground, therefore, if on no other, it would seem eminently wise for all practical temperance reformers to endeavour to secure legislation upon the lines of Lord Peel's Report, so that at the end of the time-notice "no compensation of any

<sup>1</sup> *Glasgow Herald*, January 24th, 1898.



kind would be given, and . . . the field would be clear for any further legislation, experimental or otherwise, which Parliament might be disposed to enact."<sup>1</sup>

Supposing, then, the time-notice to have expired, what are the localities to do?

The alternatives which would be open to them would, broadly speaking, be as follow:

1. They might continue the present system of private licence, either with or without high licence in some one of its forms.

2. They might adopt prohibition.

3. They might take the trade out of private hands and introduce a system of local restriction and control, to be exercised by either

- (a) A disinterested company, or

- (b) The municipality.

It is with the third of these alternatives only that we are at this point concerned.

(a) If it were proposed that local control should be exercised through a company, as in Norway, a body of resident citizens organised, or ready to be organised, as a company, would make application to the licensing authority to take over for a specified term of years<sup>2</sup> the *whole* of the retail licences in the place, undertaking that the shareholders should not receive more than the current rate of interest (as defined by law) and further undertaking that all conditions attached by the licensing authority to the licences should be carried out. If more than one company applied, it would be for the licensing authority to determine which body would be most likely

<sup>1</sup> *Minority Report of the Royal Commission on Liquor Licensing Laws*, p. 270.

<sup>2</sup> The period would coincide with the period allowed by law for the recurrence of a prohibition vote.



to carry on the work of effective control with disinterested intelligence.

If the licensing authority declined all applications from companies, then the inhabitants of the place could by a popular vote compel the adoption of the Company system at the first subsequent issue of licences.

(b) If a municipal council desired to work the controlling system by taking the traffic into its own hands, it could do so by formal resolution. But if a municipal council was unwilling to take the initiative, or the licensing authority to sanction the application, then the inhabitants of the locality could by popular vote compel the adoption of the system at the first subsequent issue of licences.

Local control, whether exercised by a company or by a municipality, would of course be carried on in conformity with the requirements of the central government, to whom all profits would be handed over for disbursement.

#### *4. The limited alternatives open to temperance reformers*

It is well to remember that the alternatives open to temperance reformers are very few. There is a growing feeling that the enormous monopoly profits which at present attach to the Trade, and which must grow, rather than diminish, with an increasing population and a diminishing number of licences, ought not to be reaped by private individuals, but be used for the benefit of the community. The question to be decided is, How best may this be effected? One method of effecting it is by allotting the licences to those who tender the highest licence fees, or—if this method be objected to—by largely increasing the statutory fees; in other words, by adopting, in one or other of its forms, a system of High Licence.



But apart from the fact that this suggestion touches part of the problem only, its defects, as we have seen, are obvious. It not only fails to destroy the political influence of the Trade, but it gives the licensee an even greater incentive to push his sales. The increased cost of his licence must be met by increased sales.

Where prohibition is impossible, the only alternative scheme to private licence is to take the traffic out of private hands. This can be done either as in Russia, by a system of State monopoly, or by a system of local restriction and control as proposed in this chapter. The former system is clearly inadmissible. Its defects are too obvious to call for further comment. We are therefore shut down to some such scheme as is here proposed—a scheme of local management carried out under strict statutory safeguards. This being so, the only remaining question to be decided is the appropriation of the profits. Here again the alternatives are simple and clearly defined. The profits might be devoted to (*a*) the relief of local rates; (*b*) the subvention of local charities, as, until recently, in Norway; (*c*) State or Imperial purposes; or (*d*) the provision—as is here suggested—of efficient counter-attractions. The first of these alternatives is so inherently vicious, and would encounter such overwhelming opposition, that it need not be further considered. The second and third proposals, although far less objectionable, are still open to serious criticism. Their inherent defect is that they would deflect and absorb, for quite other purposes, resources that are needed for directly combating the evils of the traffic. The fourth alternative is free from these defects. It starts from the position, which few will question, that the public-house problem is largely—by no means entirely—an “entertainment of the people” problem; that it has



its roots in ordinary social instincts as well as in depraved and unenlightened tastes; and that it can only be effectively solved when provision is made for adequate counter-attractions. It is claimed for the present proposals that they make such provision possible in a form that would powerfully contribute to the highest interests of the individual and the truest progress of the State.<sup>1</sup>

### 5. *Final appeal*

The final appeal may be made in the eloquent words with which, twenty years ago, the Lords' Committee on Intemperance summed up the argument for local management and control. Referring to the objections urged

<sup>1</sup> An objection is sometimes taken against municipal or company control on the ground that it would involve the community in complicity with a demoralising traffic. The responsibility, however, is one that already exists. At the present time both our national and local exchequers are directly and substantially recruited from the proceeds of the sale of intoxicants. Not only is a vast sum, amounting to thirty-four millions sterling (or nearly one-third of our entire national revenue), annually appropriated to national purposes from Customs and Excise duties on alcoholic liquors, but a further sum of two millions, annually raised from licence fees, is applied to local purposes in direct relief of rates; while a still further sum of one and a half million, derived from additional taxes on liquor, is allotted to local councils, chiefly in support of technical instruction. To add to these vast sums (or any remnant of them) the further sums represented by the profits on such sales as must for the present continue, is not therefore to introduce a new principle, or to create a complicity which does not already exist. To take a single illustration: Leeds already receives from its liquor licences, *in direct relief of local taxation*, an annual sum of £15,000, together with a further sum of £7,000 representing its share of the special duties on beer and spirits imposed by Mr. Goschen in 1890 and subsequently allotted to local councils



against both the Gothenburg system and the system of direct municipal control, the Committee say: "We do not wish to undervalue the force of these objections; but if the risks be considerable, so are the expected advantages. And when great communities, deeply sensible of the miseries caused by intemperance, witnesses of the crime and pauperism which directly spring from it, conscious of the contamination to which their younger citizens are exposed, watching with grave anxiety the growth of female intemperance on a scale so vast and at a rate of progression so rapid as to constitute a new reproach and danger, believing that not only the morality of their citizens, but their commercial prosperity, is dependent in support of technical instruction, etc. The use which Leeds has made of this latter sum in the last two years is shown in the following table:

	1900-1	1899-1900
Leeds School Board . . . . .	£1,920	£1,920
Yorkshire College . . . . .	1,500	1,500
Leeds Institute of Science, Art, and Literature .	1,250	1,250
Public Library . . . . .	1,000	1,000
Leeds Church Middle Class School . . . . .	500	500
Yorkshire Ladies' Council of Education . . . . .	250	240
Holbeck Mechanics' Institute . . . . .	80	60
Woodhouse Mechanics' Institute . . . . .	60	50
Armley Evening Science Classes . . . . .	60	50
Wortley Working Men's Institute . . . . .	60	50
Institution for Blind and Deaf and Dumb . . . . .	60	50
Hunslet Mechanics' Institute . . . . .	50	40
St. Peter's Church School, Dewsbury Road . . . . .	35	25
Leeds Working Men's Institute . . . . .	30	20
Rodley Science Class . . . . .	20	10
Stanningley Church School Science Class . . . . .	20	10
Mount St. Mary's Science and Art Class . . . . .	50	—
Totals . . . . .	£6,945	£6,775

To the extent of £22,000 per annum, therefore, Leeds has *at the present time* a direct complicity in the liquor traffic in its midst.



upon the diminution of these evils, seeing also that all that general legislation has been hitherto able to effect has been some improvement in public order, while it has been powerless to produce any perceptible decrease of intemperance, it would seem somewhat hard, when such communities are willing, at their own cost and hazard, to grapple with the difficulty and undertake their own purification, that the Legislature should refuse to create for them the necessary machinery, or to entrust them with the requisite powers.”<sup>1</sup>

The reasonableness of this appeal will probably be

To allot to Leeds, as is here proposed, an annual grant out of the aggregate national profits of the liquor traffic, for the maintenance of effective counter-attractions to the public-house, is not, therefore, *to create a complicity*. The complicity exists already. Moreover, it must continue to exist under any conceivable licensing system. The only way to eradicate complicity in the liquor traffic would be to abolish all licences and all Customs and Excise duties on liquor, and to throw open the traffic to anyone who chose to engage in it—a proposal that is manifestly utterly impracticable.

But the question is really a practical one. We are all agreed that for some time to come a considerable volume of trade in alcoholic liquors will continue. Is it better that it should continue under a system which aggravates the evils of the traffic and produces the maximum amount of social demoralisation and loss, or under conditions of restriction and control which reduce the evil effects of the traffic to a minimum?

As Lady Henry Somerset, in discussing the present proposals (*Contemporary Review*, October, 1899), pertinently asks: “Are we to be regarded as ‘having complicity’ with a trade for the reason that when we cannot suppress it altogether we desire so to change its form and character that we deprive it of three-fourths of its power to harm, but permit a fourth of that evil to continue for a time? I hold that it is our duty to restrict the evil as far as we can, and I hold that we are responsible only for the amount of harm which we could prevent, but allow to continue.”

<sup>1</sup> *Report of the Lords’ Committee on Intemperance*, 1879, p. 25.



generally accepted, and its force may justly be claimed in behalf of the present proposals. That these proposals would solve, absolutely and definitively, the entire problem of intemperance, is neither claimed nor believed. This no single scheme can effect. But that they offer a reasonable basis for co-operation to all who are concerned to achieve such a result, and would powerfully contribute to bring it about, is fully and earnestly believed. If the proposals fall short of the full aim of the idealist, they in no way conflict with his ideal ; they simply lay the foundations upon which he and others may build.

NOTE.—*The wide acceptance of the leading principles and practical proposals outlined above is indicated by the opinions which follow.*



## Some Personal Opinions

**The Bishop of London.**—"I have read your book with the greatest interest, and consider it the most valuable contribution towards the solution of the temperance problem which has yet appeared."

**The late Bishop of Durham.**—"I heartily agree with your main proposals, and congratulate you on the effect which your book has already produced. Though I shall gladly welcome every reform which tends to lessen the evils of the drink traffic, I am satisfied that they cannot be dealt with successfully till private profit is eliminated from the retail trade. At the same time, 'constructive,' no less than 'restrictive,' measures are essential for the complete solution of the social problems involved in the question."

**The Bishop of Rochester.**—"I do not think that anything could do a greater service to the cause of reasonable and statesmanlike temperance reform than the widest circulation of your book, and I am extremely glad to hear that it is to appear in a more popular form."

"The value of its statistics and information is quite independent of the particular proposals which you advocate; but I have myself long felt that change in the direction of those proposals is our best hope—*viz.* that the trade should cease to be a matter of private profit, and should be controlled in the public interest."

**The Bishop of Wakefield.**—"No book I have ever read has given me so hopeful a feeling for the future of temperance legislation. It treats the whole question upon



a scientific basis of facts, and offers a solution on which temperance reformers ought to be able to unite, at least in its main features. All earnest temperance workers owe you an immense debt."

**The Bishop of Liverpool.**—"I gladly express my general approval of the main proposals in your weighty and convincing book, *The Temperance Problem and Social Reform*. I believe them to be just, reasonable, and eminently practical."

**The Bishop of St. Andrews.**—"I heartily hope that the fundamental proposals of the book may soon be carried into effect."

**The Right Hon. Joseph Chamberlain, M.P.**—"The book appears to me a most useful work of reference on the whole temperance question, and I am in full sympathy with the writers in desiring that experiments should be made on the lines of the system which in Sweden and Norway has, in my judgment, produced excellent results."

**Rt. Hon. Sir Henry H. Fowler, M.P.**—"I regard their treatise as a most important contribution to the solution of the very difficult problem of temperance reform. . . . Messrs. Rowntree and Sherwell have compiled facts and statistics which must be considered by all true temperance reformers."

**Rt. Hon. James Bryce, M.P.**—"Desiring to see the temperance problem seriously and promptly grappled with, I am glad to hear that Messrs. Rowntree and Sherwell's book is being re-issued in a cheaper form. It ought to stimulate reflection; and I hope that its views and arguments will receive a fair, candid, and careful consideration."

**The Right Hon. A. H. D. Acland.**—"I am very glad you are going to publish a cheap edition. The mass of facts and figures which you have collected concerning the working of different systems of control of the liquor traffic



are of the greatest interest and importance. It is interesting, too, to see what importance you attach to the problem of housing the poor, and to the need of further facilities for recreation. It would be a great advantage if it were made possible to try experiments on the lines you suggest."

**T. W. Russell, M.P.**—"I agree with Messrs. Rowntree and Sherwell that the problem cannot be effectually solved until the elimination of private profit is secured."

**Rev. Charles Garrett.**—"This book will be of immense value to the temperance cause, for it is a wonderful storehouse of temperance information. Its plan for grappling with and destroying our national curse appears to me to be admirable. I have long felt the unwisdom of attempting to accomplish the impossible. If it were possible I would, at all costs, sweep the drink traffic away for ever, but I have hitherto seen no way in which this could be accomplished in *my time*. This book, however, opens before me 'a door of hope.' There are two ways of taking a fortress—one is by assault, the other by sapping and mining. This book suggests both ways of dealing with the traffic: first by bringing local veto into operation wherever it can be successfully applied, and, having thus taken the outworks, it shows how the citadel itself can be undermined and taken. Every step seems to me to be in the right direction, and I heartily trust that no prejudice will be allowed to block the way."

**Archdeacon Wilberforce.**—"Without endorsing all the conclusions arrived at, I consider Messrs. Rowntree and Sherwell's book a most valuable contribution towards the solution of the greatest social problem of our day, and I trust that it will be widely read and studied."

**Lady Henry Somerset.**—"We are on the eve now of a struggle which will probably be the decisive one, but



which will be fierce and prolonged. At this point, therefore, it seems to me of supreme importance that the temperance forces should unite. Too long they have been severed and weakened by differences which I believe must be overcome before their attack can be efficient; and it is for this reason that I, in accordance with many others, hail the appearance of a remarkable book, which is the most valuable addition to the literature of the temperance cause that, to my mind, has yet been given—I mean the book called *The Temperance Problem and Social Reform*, by Mr. Joseph Rowntree and Mr. Arthur Sherwell."

**Rev. C. F. Aked.**—"This fine book aims, as you know, at the creation of a platform broad enough to include all friends of temperance and all who are working for social reform. . . . I have argued for years against every form of municipalisation. I have denounced it in a hundred towns. But Messrs. Rowntree and Sherwell's scheme has met all the objections which I have ever urged, and for the first time we are presented with a plan which the sworn prohibitionist can adopt without compromise of deep conviction, and without fear of ultimate danger and loss."

**Canon Hicks** (of Manchester).—"Yours is the weightiest book I have ever read on the temperance question. Your statement of the case for permissive prohibition is all the more convincing because you are not so enamoured of it, as some of us are, as the chief remedy for the terrible drink evil. Especially do I thank you for pointing out so clearly the obvious dangers that beset the cruder proposals for municipalising the drink traffic. The positive proposals of your volume deserve the most careful attention, and may form a basis of union for all advanced temperance reformers."

**Lady Elizabeth Biddulph.**—"It interests me greatly to



hear that your valuable book, *The Temperance Problem and Social Reform*, is to be popularised through a cheap edition. The fundamental proposals it contains are to my mind undeniable. I trust this generous endeavour on your part will have a very great success."

**Rev. James Paton, D.D.** (Convener of Church of Scotland Committee on Temperance).—"In my judgment, after five-and-thirty years of careful study of all temperance literature, this book is the only one worthy of being called a 'Classic.' Its unanswerable reasoning, and its noble moral inspiration, have breathed a new and victorious impulse into all men who believe that temperance reform is the true pathway to further social progress; and that there *are* lines, such as those indicated by Messrs. Rowntree and Sherwell, on which such reform can be carried: (1) without delay; (2) in accordance with the recorded convictions of the community; and (3) with vast benefit to the nation as a whole."

**Principal Rainy, D.D.**—"No man should advocate opinions on the way in which the drink traffic should be dealt with unless he has read carefully Messrs. Rowntree and Sherwell's book. Both for facts and for discussion at the present stage it is indispensable."

**Principal J. Marshall Lang, D.D.**—"No book on the temperance problem has so deeply interested me as that which is associated with the names of Messrs. Rowntree and Sherwell. Its presentation of the facts connected with the sale and consumption of alcoholic liquor is unrivalled for completeness and lucidity. Its examination of the measures which have been adopted, or the plans which have been suggested with a view to remedying the evils, directly or indirectly attributable to indulgence in intoxicating drink, is thorough; and its proposals commend themselves as worthy of the most serious consideration."



**Principal Salmond, D.D.**—"It is the most impressive book that I have read on the drink question, and the most enlightening. . . . It is likely to make an epoch in the history of temperance endeavour. . . . Other methods surely should be attempted where Local Veto will not work, and the plan of public control, stripped as it is in the scheme of this book of the perilous element of immediate civic gain, seems to me one that all reasonable men should be glad to see tried. . . . The constructive side of Messrs. Rowntree and Sherwell's scheme also deserves serious and sympathetic consideration. If human nature is to be taken into account, there must be such a side in any ameliorative programme, and the authors of this book have done a most important service in giving it so essential a place in their proposals."

**Rev. A. M. Fairbairn, D.D.** (Principal of Mansfield College, Oxford).—"I am glad to hear that you think of publishing a cheap edition of your book on *The Temperance Problem and Social Reform*. It is a book full of knowledge and instruction to all interested in social problems, and its proposals deserve the most careful consideration, not only of all temperance reformers, but of all public men and statesmen."

**Charles Booth, F.R.S.** (author of *Life and Labour of the People in London*, etc.).—"I am very much interested to hear of the projected cheap popular edition of your and Mr. Sherwell's great book, and hope it may have a marked effect in ripening public opinion for action in the direction towards which your conclusions point."

**Sidney Webb, LL.B.** (Chairman of Local Government and Taxation Committee, and Vice-Chairman of Technical Education Board of the London County Council).—"I feel that these proposals contain a more promising scheme of reform than any that I have seen. The evils of the



present situation are so great and far-reaching that probably more than one remedy must be used against them. Nor would I shrink from, or shut out, other and more drastic expedients. But I am, as at present advised, greatly attracted by the idea of replacing the present retail trader in drink by a genuine "public-house," run by the public for the public. I regard this work as a striking demonstration of the value, in social problems, of independent investigation and hard thinking."

**J. A. Hobson, M.A.** (author of *Problems of Poverty*, etc.).—"The longer I study social-economic problems in their practical bearing on the life of the people the more deeply I am impressed, not merely with the enormous gravity of the drink question, but with the necessity of treating it in organic relation to the other economic and moral issues. . . . I regard your work as by far the most scientific in its method, and most practical in the hopes of reform which it presents, among the books which I have read, and I earnestly hope it may have the widest possible circulation among all sorts and conditions of men."

**Rev. Alexander Whyte, D.D.**—"I hail the prospects of a popular edition of your masterly book. Your book has made an immense impression on the minds of men in its costly form, and I feel sure its appearance in a cheap edition will begin a new era of thought and progress in connection with the drink traffic."

**W. C. Braithwaite, B.A., LL.B.** (Chairman of National Council of Adult Schools).—"Messrs. Rowntree and Sherwell's book is a careful and masterly examination of the problem of temperance reform. They show conclusively that Local Option and Prohibition are not likely to be effective at present in thickly populated areas, and that accordingly some further method should also be available in these cases."



"Their scheme for municipal control with payment of profits into a central fund to be used for counteracting the public-house deserves the close and *unprejudiced* consideration of every temperance reformer, and, I believe, shows the line of right action. It does not run counter in any way to the proposals in Lord Peel's report."

**Rev. John Smith, D.D.**—"I rejoice that Messrs. Rowntree and Sherwell's volume is to be put into the hands of the people. It is a perfect thesaurus of temperance teaching; and the whole discussion is carried through with such amplitude of knowledge, freshness of view, transparent honesty, and conspicuous ability that men of all schools cannot fail to profit from it."

**Rev. J. B. Paton, D.D.** (Hon. Secretary of the National Home Reading Union, and of the Social Institutes Union).—"The publication of the book has been epoch-making in the history of temperance and social reform, and its influence is bound to grow. I have read no book on the social needs of our time with a more perfect and thankful approval, and I entirely accept the two fundamental principles which you so eloquently expound and vindicate. . . . Like every temperance worker, however, I specially welcome and support your second proposal—namely, that the profits arising from these public-houses, administered so that they shall do the least possible evil to those who frequent them, shall be devoted to the establishment of places for social fellowship and bright and healthy recreation, because I believe that the establishment of such places is one of the greatest social needs of our time."

**Dr. Spence Watson.**—"The writers have brought together an unparalleled collection of facts, the result of long and patient research and wide and careful observation. They have founded upon these facts the most practical and



probable scheme for dealing with the question, a scheme which is gaining adherents every day, which fairly holds the field and is destined to fill it."

**R. B. Haldane, K.C., M.P.**—"I am glad to hear that Messrs. Rowntree and Sherwell are about to publish a cheap edition of their book on the temperance problem. This book has exercised already a very great influence on the public mind, and has made many people reformers who, until they read it, had not appreciated the magnitude of the problem. The circulation of the work in a popular form will probably extend largely the number of those who now look upon its proposals as a practicable remedy for a great evil. Speaking for myself, I attach most value to the large portion of the book which describes the mischief. In the proposals for a remedy there is much that is valuable and also somewhat that is controversial."

**Sir John Leng, M.P.**—"Too long have we been beating the air, holding temperance meetings and demonstrations, passing futile resolutions, and making no legislative headway, while the drink traffic, under the application of the Limited Liability Acts, has become of vaster proportions, more deeply entrenched, and more deadly in its moral and social results. Messrs. Rowntree and Sherwell point to more practical methods and more hopeful achievements. Their proposals merit consideration and discussion with a view both to legislative measures and municipal and individual action."

**John Burns, M.P.**—"Undoubtedly the best book yet written on the temperance question. Fair, accurate, suggestive, and full of useful information, it is a worthy contribution to the discussion of a very serious problem. It ought to do much useful work."

**J. W. Crombie, M.P.**—"I wish every success to the cheap edition of your already successful book. It offers a serious



and practicable contribution to the solution of the most urgent social and political problem of our day."

**Captain Pirie, M.P.**—"You will be rendering one among the greatest of national services if by a popular publication of your work you can quicken public conscience as regards the evils of intemperance into insistence on definite action in order to lessen them. . . . More can be done by reaching the masses with a work such as yours than by any other method, and you have my sincere thanks and good wishes."

**J. Keir Hardie, M.P.**—"It is no figure of speech to say that this volume marks the beginning of a new epoch of the temperance movement. I cordially thank the authors for having brought temperance reform within the sphere of the practicable."

**Professor Marcus Dods, D.D.**—"I am very glad to hear that Messrs. Rowntree and Sherwell mean to publish a cheap edition of their book. It needs no recommendation from anyone, and least of all from me, but I certainly think that their proposals are more worthy of consideration than any others before the public."

**Professor W. M. Ramsay, D.C.L., LL.D.**—"I am in agreement with the spirit of your two fundamental proposals. The municipal control and regulation of traffic in drink, and the affording of better opportunities for spending leisure time to those who at present have difficulty in finding such opportunities elsewhere than in the public-house, seem to me the best auxiliaries to that raising of the moral tone by education which will in time so far diminish drunkenness as to place the remnants of it under the control of wise legislation. At present legislation could not (so far as I can pretend to judge) be profitably called in to exercise such control directly."

**Professor George Adam Smith, D.D., LL.D.**—"The book cannot be too highly praised. The treasury of facts



which they have collected and so admirably arranged, the sanity and judgment of their conclusions, the wide view they take of all the social questions with which that of temperance is so closely connected, the high ideals of national welfare and civic duty which inspire their effort from first to last, render this *the* book of our time on the temperance question."

**Professor Kennedy, D.D.** (Edinburgh University).—"I gladly welcome your proposal to issue a cheaper edition of your epoch-making book, *The Temperance Problem and Social Reform*. It has made itself indispensable to every worker in the cause of temperance. I am certain you will have no warmer supporters in any scheme of reform on the lines laid down in that work than the many friends of temperance in the Church of Scotland."

**Professor James Denney, D.D.**—"No book has ever been published on legislative temperance reform so rich as this, both in facts and ideas. Even those who begin to read it with a prejudice, and end not quite convinced, will readily admit that it has enlarged and cleared their minds, and no one will say that it has cooled his ardour in the cause of temperance. It is a book to be studied by everyone who wishes to know what the law can and cannot do in this distressing subject."

**Professor Dove Wilson** (Aberdeen University).—"It is most satisfactory to hear that Messrs. Rowntree and Sherwell's work on temperance reform is about to appear at a price which will place it within the reach of everyone. There has been no more valuable contribution towards the practical solution of the difficulty. . . . The crying evils of selling liquor to the young, to the partially intoxicated, and to inebriates, will never be effectually checked till the liquor-seller ceases to have any interest in promoting the sale."



**Thos. Hodgkin, D.C.L.**—"I am *heartily* in sympathy with the scheme of temperance reform sketched in your book on *The Temperance Problem and Social Reform*, and shall rejoice if the circulation of that book in a popular form shall bring us in any way nearer to the adoption of your programme."

**George J. Holyoake.**—"The most practical, the most readable, and most informing book on the temperance question I have seen."

**Dean Farrar.**—"I have read Messrs. Rowntree and Sherwell's *Temperance Problem* with great interest. It is a careful and valuable work."

**Rev. Nehemiah Curnock** (editor of *The Methodist Recorder*).—"The proposals contained in this work—which I have read with the greatest interest—ought to be tried. The experiment should have a fair field and neither favour nor disfavour. Its assigned area should be sufficiently large, with populations varying in density and character. Its period should be sufficiently prolonged, so as to afford opportunity for all conceivable reactions."

"The present system is hopeless. Bad in itself, it is cumulatively mischievous. Even imperial total prohibition, with all its dangers, would probably be less injurious. The plan proposed by Messrs. Rowntree and Sherwell is the nearest approach to a true and safe solution of the problem that has yet appeared."

**Canon Barker.**—"The book contains such an exhaustive statement of the whole problem, and such voluminous and valuable facts from which every man can draw his own conclusions, that nothing but good can come from as wide a circulation of the book as possible."

**Rev. F. B. Meyer.**—"The publication of this book, as I venture to think, will date an epoch in the history of the temperance movement. I have read and pondered it with



profound interest, and am convinced that the conclusions to which the authors have come afford a working basis for the ultimate solution of the vexed problem of the liquor traffic. . . . The complete and satisfactory reform of the liquor traffic is impossible so long as it is organised and conducted from motives of private gain. . . . May I live to see this system adopted ! ”

**Canon Barnett** (Warden of Toynbee Hall).—“ Messrs. Rowntree and Sherwell show the overwhelming danger which threatens our commonwealth in sober language, and suggest a remedy acceptable to sober people.”

**Rev. R. J. Campbell** (Brighton).—“ I have for years advocated the reforms you mention, and would be most sincerely glad to see them adopted.”

**Archdeacon Wilson**.—“ I heartily support your proposals, and have long advocated them. All United Kingdom Alliance men should support them, for if these permissive powers were given to localities, some would adopt prohibition, and in all who used these powers prohibition would be indefinitely facilitated. All Church of England Temperance Society men should support them; for they will effectively carry out what we have at heart—the diminution in number and the better regulation of public-houses.”

**Rev. R. A. Armstrong** (Liverpool).—“ The scheme of Messrs. Rowntree and Sherwell, as drawn by them, would, it seems to me, be valuable and effective, if it can be carried as a whole with all its safeguards and without injurious amendments. All England owes a deep debt of gratitude to the propounders for their toil and devotion.”

**Canon Moore Ede**.—“ In the campaign against the liquor traffic we have for long years tried the policy of frontal attacks, only to find that at the end of the century the enemy is more strongly entrenched in his position than



he was at the beginning. As wise men, we should alter our tactics, and try to find some way round; and I believe that the true way to outflank the position of the trade is that indicated in your work on *The Temperance Problem and Social Reform*.

"It stands to reason that if the liquor-sellers have no interest in pushing the sale of liquor many of the worst evils of our English system will disappear, for its worst features consist of devices to induce people to drink.

"We cannot eradicate the social instincts of men, and it is the social instinct which drives so many to the public-house, which, as things now are, is the only available social gathering-place for, at any rate, the poorest; and those who go to the public-house must drink, and must continue to drink as long as they remain. If, however, the surplus profits from the trade are utilised for the provision of various kinds of recreation, provision will be made for the gratification of the social instincts without imposing any necessity for cultivating the drinking habit."

**Rev. Mark Guy Pearse.**—"I feel most deeply that the suggested solution has laid down the lines on which our deliverance from this vast evil must come."

**Rev. R. F. Horton, M.A., D.D.**—"To my mind, the most attractive chapter in the book is the large-minded and intelligent survey of the causes which lead our people in the crowded streets to drink; and it seems to me that no remedy can be pronounced of any great value which does not recognise that a large proportion of men go to the public-houses not so much to drink but simply to find a place of social communion, to find what one might call a drawing-room, from the crowded tenements in which they live."

**Canon Armitage Robinson, D.D.**—"If we are to make



further progress with the problem of the liquor traffic, we must stimulate the interest and claim the aid of the great body of serious persons who at present hold aloof from the question in perplexity or despair. It is to such minds that the main propositions of Messrs. Rowntree and Sherwell will, I believe, commend themselves as offering a new hope of practicable reform. All who are interested in the religious and social life of England should study their book."

**Rev. Alex. Mackennal, D.D.**—"Three things strike me in the volume in addition to the valuable and carefully given information, and the pleading for united action.

"One is the precision with which you have indicated the first evil we have to conquer, and which, left untouched, will perpetuate all we deplore—the private gain in liquor-selling. Drunkenness itself is not so obdurate an evil as this. . . . I admire also the constructive part of your book. I have long believed that mere demonstration will do very little for permanent deliverance of the people from this snare; and I rejoice in the fact that you have devoted so much space to this part of your book."

**Canon Scott Holland.**—"This book lays down admirably the position which every sane man is bound to accept. . . . The book's conclusion is most clear, intelligible, and practical. . . . The whole scheme is perfectly practicable to-morrow. It rests on unanswerable reasons for the intervention of the State. It meets the broad human needs and it assimilates the clearest teachings of experience. It combines those who are passionately bent on restricting the evil and those who deem this futile so long as social conditions are untouched."

**Rev. J. Monro Gibson, D.D.**—"The reading of this admirable book has kindled in me a new hope for the



future of temperance reform. Nowhere else have I seen the terrible facts so skilfully marshalled, or the remedies so carefully examined. The suggestions which it throws out for united action seem to me to be such as to commend themselves to all who realise the necessity of the friends of temperance acting together and acting at once."

Canon Gore, D.D.—"I am exceedingly glad to learn that you are going to circulate a very cheap edition of your *Temperance Problem and Social Reform*. I think the book has really marked an epoch, because (1) it has approached the problem as part of the whole social problem, and because (2) you have provided such a broad basis on which people of all sorts can co-operate. I am most anxious that your fundamental proposal should be carried into effect, and that nothing should be done in the way of temperance reform which should block the road towards the realising of your proposals."

Rev. Hugh Price Hughes, M.A.—"These thoroughly competent experts, after prolonged personal investigation at home and abroad, have made the best statement of the problem that has yet been printed. . . . We greet its appearance with gratitude: it is by far the most valuable and useful book on the whole temperance problem that has been published. . . . We are convinced that the method suggested by Mr. Rowntree and Mr. Sherwell is the only practical method of dealing with this gigantic evil in the towns and cities of Great Britain."

Rev. John Clifford, D.D.—"The appearance of this book is surely one of the best signs of the times. Every patriotic citizen should read it, and read it at once, and seek to promote legislation along the lines it suggests."



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