

**Public control of the liquor traffic : being a review of the Scandinavian experiments in the light of recent experience / by Joseph Rowntree and Arthur Sherwell.**

**Contributors**

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PUBLIC CONTROL  
OF THE  
LIQUOR TRAFFIC

JOSEPH ROWNTREE  
AND  
ARTHUR SHERWELL



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PUBLIC CONTROL  
OF THE  
LIQUOR TRAFFIC:

Being a Review of  
the Scandinavian Experiments in the light of  
recent experience.

BY  
JOSEPH ROWNTREE  
AND  
ARTHUR SHERWELL,

JOINT AUTHORS OF  
"THE TEMPERANCE PROBLEM AND SOCIAL REFORM,"  
"BRITISH GOTHENBURG EXPERIMENTS AND PUBLIC-HOUSE TRUSTS,"  
"STATE PROHIBITION AND LOCAL OPTION," ETC.

*SECOND THOUSAND.*

LONDON :  
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1903.



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PUBLIC CONTROL

CANCELLED

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the Scientific Experiments in the Light of  
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JOSEPH ROWNTREE  
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ARTHUR SHERWELL

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### AUTHORS' NOTE.

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THE writers express their sincere thanks to numerous correspondents in this country, on the Continent, and in the United States, who have helped them with information and criticisms. They wish especially to acknowledge the constant assistance which they have received from Dr. Sigfrid Wieselgren, of Stockholm, Mr. Ernst Andrée, of Gothenburg, Mr. H. E. Berner, of Christiania, and Mr. Jorgen Irgens, of Bergen, in furnishing much valuable information which only local knowledge could supply.

For the English equivalents of the foreign moneys and measures named in this book the reader is referred to the Appendix.





## Preface.

THE primary object of this book is to examine certain objections recently urged against the public management of the liquor traffic, which are based upon an alleged failure of the system of company control in Gothenburg and throughout Sweden and Norway generally. The questions involved are twofold: (1) Has the system failed in any important particular? (2) If so, has such failure been due to inherent defects in the Company System or to its imperfect application?

While including in our review other adverse criticisms, it will be convenient to follow in the main a work recently published by Mr. John Walker, M.A., entitled *The Commonwealth as Publican*, which appears to



embody almost every charge which has recently been brought against the working of the Gothenburg System.

In order, however, that the reader may judge of the value that should be attached to Mr. Walker's statements and opinions when unsupported by evidence, we shall in the first place give a few illustrations to show how slight is his acquaintance with the subject on which he writes.

On page 10, Mr. Walker says: "In Norway, the samlags now generally have a monopoly of the sale of beer as well as of branvin." As a matter of fact it is doubtful whether there is a single samlag which has such a monopoly. Mr. Jorgen Irgens, of Bergen, who is intimately acquainted with the history and details of the samlag system in Norway, writing on the 28th May, 1902, says: "I have to state that none of our samlags has monopoly to sell beer or wine. Perhaps there may be one or another spot or village where such is the case, although I do

not believe it, but if so, such a monopoly is not connected with the sale of liquor" [*i.e.*, spirits].

Again, Mr. Walker (p. 43), in seeking to meet our contention that the Company System secures a divorce between politics and the drink traffic, attempts to show that in Scandinavia there has been no alliance between the drink traffic and politics, and consequently there can have been no divorce. This question will be fully discussed later on. At present we only note that in the elaboration of this argument Mr. Walker states that the electors in Norway are a limited class, and take only a small interest in politics. We will give Mr. Walker's words *in extenso*. The italics are ours:—

"In 1876, when the 'Samstag' first came into being in Norway, the electors numbered 140,000. So small was the interest in politics, that at the election of that year only 84,000 of the electorate applied to be put on the register, and 37,000 actually voted. That Parliament was therefore elected by the votes of about two per cent. of the population. *At present [1902] the*



*franchise is restricted to landed proprietors, real estate owners, and officials, among which classes the liquor traffic has ever had little, if any, influence."*

Now what are the facts? It was only necessary for Mr. Walker to turn to *The Statesman's Year Book* for 1902 (p. 1098), and there he would have found that Norway is a country of practically universal suffrage:—

"Every Norwegian citizen of twenty-five years of age (provided that he resides and has resided for five years in the country) is entitled to elect, unless he is disqualified from a special cause—for instance, actual receiving of parish relief. . . . At the election in 1900, the number of electors was 440,174, or 19·73 per cent.<sup>1</sup> of total population, while 238,617 votes, or 54·21 per cent. of the whole number, were recorded."

But perhaps in the whole volume there is nothing more extraordinary than Mr. Walker's off-hand method of dealing with a question

<sup>1</sup> In England and Wales, in 1901, the proportion of electors to the total population was only 16·6.

of the first importance—that of the national consumption of spirits.

All students of the liquor legislation of Sweden and Norway know that a main claim put forward on its behalf has been that in both countries it has brought about a remarkable reduction in the consumption of spirits. The statistics bearing upon this question have been studied and discussed in print by able men in Sweden and Norway. In both countries they are the subject of carefully prepared and unchallenged official returns. Trained experts sent out by the Government of Washington, and by the Legislature of Massachusetts, have examined these figures; the English Board of Trade, in their valuable tables showing the consumption of spirits, wine and beer in foreign countries, have adopted them; and it is a perfectly gratuitous assumption to suppose that they are seriously incorrect; yet this point, fundamental to the discussion of the success or otherwise of the Scandinavian liquor legislation, is airily



disposed of by Mr. Walker in the following lines :—

“In America, where illicit distillation is rampant, and railway companies do a regular trade in assisting evasion, the statistics are mere guess-work ; and in sparsely peopled countries, where free distillation has only ceased for fifty years, like Norway and Sweden, we fear this is also largely the case. For instance, free distillation was until last century general in our own Highlands, and it is a matter of common knowledge that for decades afterwards many more hogsheads of whisky found their way from the hills than the excise officer took toll of.

“It is, therefore, scarcely fair to compare the returns of alcohol consumed in Scandinavia with those in Britain. In Norway, particularly, the totals are very much less, and it is almost certain that these totals are not compiled with the same exactitude as our own.”<sup>1</sup>

In *The Temperance Problem and Social Reform* the official figures of the consumption of spirits for both Sweden and Norway are given. In Sweden the *actual* (as distinguished from the *estimated*) figures date from 1856, and in Norway from 1849. They thus go back in the one country for forty-seven and in the

<sup>1</sup> p. 23.



other for fifty-four years. Prior to these dates the statistics of national consumption were "estimated" and were of little value, but Mr. Walker's words show that he refers to the statistics which follow the era of free distillation, *i.e.*, to the period to which the "actual" figures apply. To place this important question of the consumption of spirits in Sweden and Norway beyond all doubt or challenge, we submitted the quotation from Mr. Walker's book to the Statistical Departments at Stockholm and Christiania. The replies received from the Chiefs of these two Departments are as follows:—

"Kongl. Finansdepartementets,

"Kontroll—Och Justeringsbyrå.

"As to the contents of your letter of July 31st last, I am glad to be able to bring you the information that the charge, mentioned in the work entitled *The Commonwealth as Publican*, page 23, viz., that in Sweden great quantities of liquor are unlawfully produced, is absolutely false. Contrary to the assertion, it is a fact that illicit distillation of spirits, at least during the last ten years, has occurred only exceptionally and at present very seldom, and when it has happened, it has been on a scale so trifling

that it has no influence at all on the correctness of the figures of the yearly consumption of liquors in Sweden, as given in our official reports. These figures agree with those on the slip that accompanied your letter.<sup>1</sup>

“Stockholm, 19th August, 1902.

(Signed) “K. LINDEBERG,

“Chief of the Bureau.”

“Det statistiske Centralbureau,

“Kristiania,

“4th September, 1902.

“In reply to your letters of 31st July and 25th August, I am glad to be able to say about the same as to unlawful production of liquor in Norway as Mr. Lindeberg writes for Sweden.

“According to returns from the police authorities in the country districts to a departmental Committee for revision of the alcohol legislation some years ago, there was during the years 1892—96, in forty-seven of fifty-three districts, not ascertained any case of unlawful production of liquor at all, in five districts one or very few cases, and in one district sixteen cases (during five years).

“As to the figures of national consumption of liquor, I refer to pages 181—183 of the enclosed number of the *Meddelelser fra Det statistiske Centralbureau*.

“Yours truly,

(Signed) “A. N. KIÆR.”

<sup>1</sup> i.e., the figures of actual consumption given in *The Temperance Problem and Social Reform*.



These figures agree with those given in *The Temperance Problem and Social Reform*, p. 476.

Mr. Walker's attempt to discredit the statistics of spirit consumption in Sweden and Norway is thus shown to be absolutely without warrant.

The question of the accuracy of the statistics in the United States is only indirectly connected with the present inquiry, but the fact to which we have given prominence—that the national *per capita* consumption of alcohol in the American Union is only about one-half of the *per capita* consumption in this country—is one of such far-reaching consequence, that we thought it well to submit Mr. Walker's assertion to the Treasury Department in Washington. The comment upon it made by the Commissioner of the Department is given below. The importance of the statement made in the concluding sentence, which we have italicised, will be apparent.



"Treasury Department,  
"Office of Commissioner of Internal Revenue,  
"Washington, *October 10th*, 1902.

"I am in receipt of your letter of the 1st instant, referring to the work of one, Mr. J. Walker, in regard to the statistics of this Bureau.

"The quotation presented by you from Mr. Walker's book, in which he says 'the statistics are mere guesswork,' is an assertion that is not warranted by the methods of administration governing this office. The laws of the United States in regard to the collection of taxes on distilled spirits are as stringent, and perhaps more so, than those of any other civilized country. Under no government has it been possible to wholly repress the illicit distillation of spirits. The efforts of this office in that direction are indicated in a copy of the Annual Report of the Commissioner of Internal Revenue for the fiscal year ended 1901. On pages 22 and 24 of the same will be found a brief history of the repressive operations of the Internal Revenue Bureau as directed against illicit distillers.

"To undertake to estimate the amount of illicit spirits that enters into consumption in the United States would, perhaps, be a work of supererogation, but the experience of this Bureau is, that outside of certain mountain sections, where illicit spirits are produced, and

mostly consumed in the same section, the collection of taxes is as nearly thorough as can be attained under any system of revenue taxation.

*"In my opinion the amount of illicit spirits produced in this country, upon which no tax is paid, would not materially affect the figures of per capita consumption of the United States and Territories."*<sup>1</sup>

"Respectfully,

(Signed) "J. W. YERKES,  
"Commissioner."

Mr. Walker's readers have also reason to complain that occasionally his statements, though technically accurate, are in danger of conveying an altogether mistaken impression. Thus, on page 80, referring to the Grayshott Inn, he writes:—"Since then, for various reasons, there have been six different managers, and, as a commentary on the statement of Messrs. Rowntree and Sherwell, that pure liquor alone was supplied, one of these was recently convicted for selling adulterated

<sup>1</sup> As is well known, there are no statistics of the consumption of alcohol in the separate States of the Union, the figures that are sometimes put forward being nothing more than estimates.



drink.”<sup>1</sup> Technically, we suppose the drink was “adulterated,” but the impression upon the mind of the reader who is not connected with the Trade would have been very different if Mr. Walker had said that the manager was convicted for selling Scotch whisky below the strength recognised by the Food and Drugs Acts. And the significance of this conviction would have been entirely changed if Mr. Walker had added that, by statutory law, the publican is at liberty to sell whisky 25 degrees under proof without posting any notice to that effect in the place of sale, or at a lower strength than 25 degrees under proof if a notice to that effect is exhibited. And the charge would have lost all significance if Mr. Walker

<sup>1</sup> It may be pointed out incidentally that the present writers do not make the statement attributed to them by Mr. Walker. The nearest approach to anything of the kind is to be found in the epitomised statement of the Committee of the Grayshott Association to the effect: “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.”



had still further added that the danger of whisky falling by evaporation below 25 degrees under proof is one that is well known by the Trade.

It will probably be deemed superfluous to reply in detail to a volume bearing such evident marks of haste in preparation, but, as already said, its contents may be usefully turned to account as constituting a full statement of the charges made against the Controlling Systems of Sweden and Norway.



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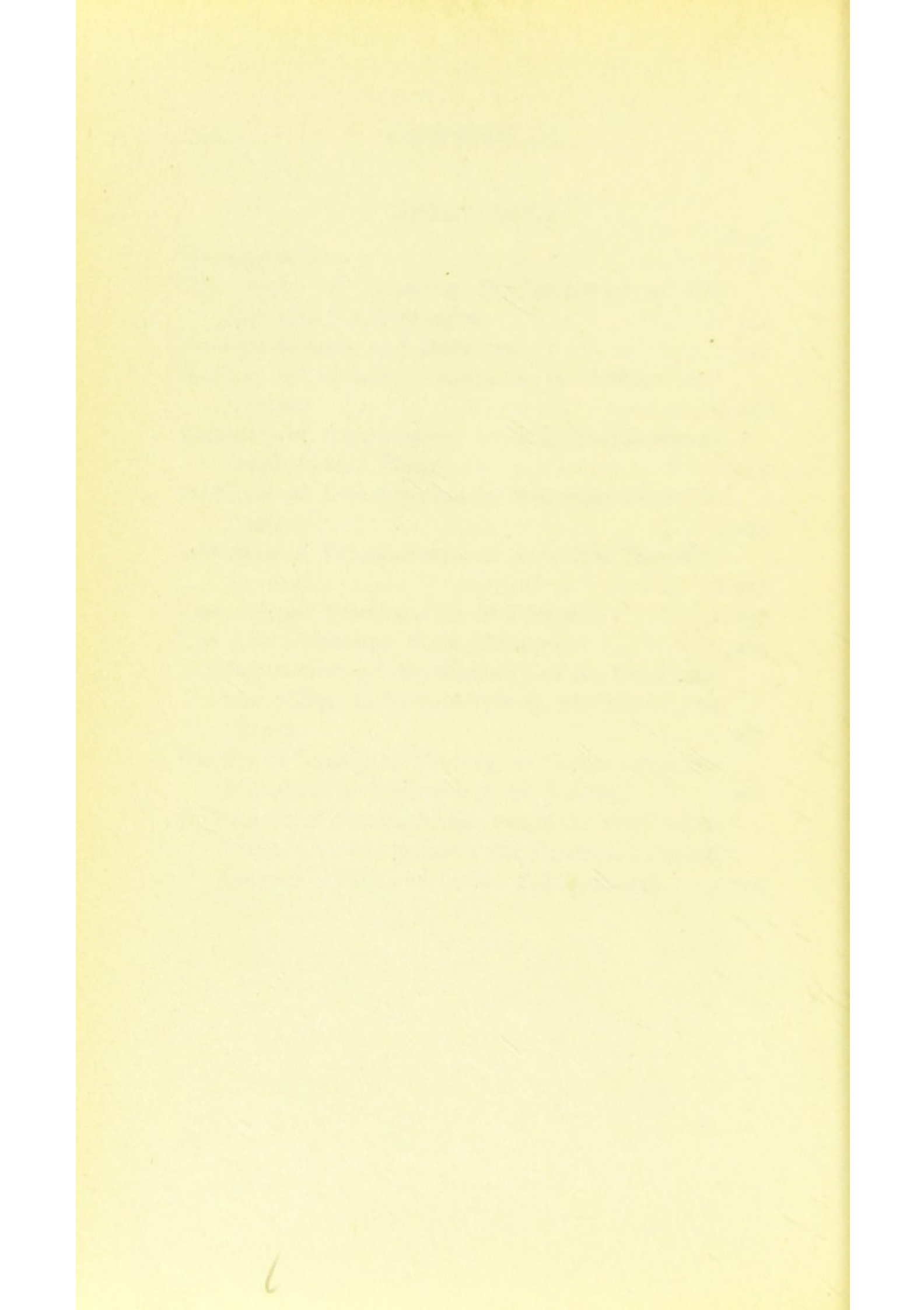


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## CHAPTER I.

### Introductory.

"It seems to me that the licensing system . . . can never but very imperfectly fulfil the objects for which it exists. The inevitable antagonism between the national and legitimate aspirations of the Trade to extend itself, and the aim of the Licensing System to prevent extension and discourage consumption, can never be overcome. The problem can never be solved, and no final settlement satisfactory to the two sides can ever be reached, on the old lines."

*Address by Sir William Houldsworth, Bart., M.P., to the Manchester Statistical Society, December 11th, 1901.*

ALL who are interested in social reform, whether connected with the Temperance party or not, would agree that the consumption of alcohol in this country is excessive, and ought to be reduced. This conclusion, indeed, appears to be inevitable in view of the facts (*a*) that the average expenditure on drink in the working class families of the United Kingdom is



probably not less than 6s. per week,<sup>1</sup> a sum which constitutes about one-sixth of their total income; and (b) that the *per capita* consumption of alcohol in the United States of America is only about one-half of the *per capita* consumption in this country.

When the necessity for a great reduction in consumption is kept steadily in mind, the force of Sir William Houldsworth's words, given above, becomes apparent. For if the true national policy be to discourage alcoholic drinking, a licensing system stands condemned which places the sale of drink in the hands of those who benefit by every glass they sell, and who as private traders will stimulate their sales to the utmost. No one can be surprised at the growth of the conviction that under the present licensing system the nation is engaged in a Sisyphean struggle; that it is futile to attempt the effective control of a lucrative trade, while placing those who

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

conduct it under the strongest temptation to extend the area of their operations and prevent the introduction of statutory reforms.

This conviction no doubt inspires the perennial interest which is shown in all experiments for taking the drink trade out of private hands, and especially in the great experiment which for more than thirty years has been conducted in Sweden and Norway.

Yet, notwithstanding the benefits which it offers, the Scandinavian system is exposed to a curious cross-fire of criticism. With a true and penetrating instinct, those who are interested in the Trade oppose any form of Company control; and, with much less insight, the experiment is opposed by some temperance reformers. This criticism is not an unmixed evil. It secures a searching investigation of the system; it brings into relief certain defects in the scheme as adopted in Sweden—defects which English reformers will do well to note. It compels attention to the fact that Norway,



profiting by the example of the sister country, improved greatly upon her methods, establishing the Company System in a form more complete than is to be seen in Sweden. Criticism, however severe, if discriminating and informed helps towards the understanding of a difficult problem. But criticism which is based upon an imperfect acquaintance with the facts, or which mis-reads their significance, can only darken counsel.

In this last category must be placed Mr. Walker's examination of the Gothenburg System, which constitutes the first part of his recent book, entitled *The Commonwealth as Publican*. The latter part deals with the Public-House Trust movement in Great Britain. In a volume<sup>1</sup> published in 1901, we ventured to point out what we believe to be the conditions of success in this latter movement, regarded as an agency for the advancement of temperance, and would refer

<sup>1</sup> *British Gothenburg Experiments and Public-House Trusts.*

readers who are interested in the discussion to its pages.

Let us at the outset briefly re-state the essential principles of the Gothenburg System. It is the more necessary to do this as the term is often loosely applied (and is so applied by Mr. Walker among others) to systems which have little in common with the Company System as carried out in either Sweden or Norway. As is well known, the principle which underlies the entire Company System in Scandinavia is *the elimination of private profit from the retail sale of spirits*. Under this system the retail sale of spirits is taken out of private hands and placed under *local* public control, which may be exercised either directly through a municipality<sup>1</sup> or through a philanthropic company acting in association with the municipality, but always under conditions laid down by the central government.

<sup>1</sup> Although municipal control is legal in both Sweden and Norway, it is the Company System which has found favour and which exclusively prevails. Under the Company System, however, as practised in Norway, the Municipality is in many ways associated with the Company in its work. See p. 187.



In Sweden the control is inadequate ; in Norway it is complete and efficient.

The removal of the sale from private hands to public control is no mere detail of administrative reform ; it differs fundamentally from the long succession of licensing amendment Acts which crowd the Statute book of this country, and which, whatever may have been the measure of their success, still at the beginning of this century leave us with a "gigantic evil" which remains to be remedied. The inevitable antagonism between the aspirations of the Trade to extend itself, and these measures whose aim is to discourage consumption, has never, in this country, been overcome. It is the distinctive and peculiar merit of the Gothenburg System that it gets rid of this antagonism, and in so doing brings the widest range of both restrictive and constructive reforms within reach of easy attainment.

It is sometimes assumed that the sole merit of the Gothenburg System is that

it prevents the pushing of sales by the bar-tender. This is a strangely inadequate conception of its scope and working. Its more conspicuous benefits may be ranged under four main divisions :—

1.—When the interest of the private trader does not block the way, wise regulations for the restriction of the traffic, suited to the varying needs of localities, can be adopted without difficulty or delay, and be modified from time to time as experience and an advancing public sentiment may require. The efficient enforcement of bye-laws, so hard to secure under private licence, presents no difficulty under the Company System. In Gothenburg, the extraordinary reduction in the number of drink shops, the shortening of the hours of sale, the raising of the age at which young persons can be served, the abolition of sales on credit, of gambling, and of the immoral accessories of



the public-house,—the absence, in short, of all pushing or stimulating of sales, whether by the bar-tender *or by the principals who determine the policy of the public-house*, illustrates how wide is the difference in the conduct of the trade according to whether “men run after liquor or it runs after them.”

2.—The System secures a divorce between politics and the drink traffic, and brings within narrow limits the menace to national and municipal life now exercised by the Trade.

3.—Less noticed, but hardly less important, is the consideration that the Controlling System enlists the active co-operation of good citizens, and is responsive to an enlightened public opinion.<sup>1</sup> The System is on the lines upon which all social reforms are converging, namely,

<sup>1</sup> “Progress in temperance depends at every step upon a convinced public opinion; so that the first practical issue of the problem is to get our temperance method into that position where public sentiment can act and be acted upon with the greatest directness and efficiency.”—J. GRAHAM BROOKS, *Forum*, December, 1892.

“a vigorous local and municipal responsibility, prompted, guided, corrected and supplemented by strong central supervision.”

4.—Lastly, it secures for public purposes the enormous monopoly profits of the retail trade, and so renders constructive temperance reforms upon an adequate scale possible. Social recreation is a vital factor in a working life. At present, in order to be social, men are often driven to the public-house. The profits of the Trade in this country are ample to supply counteracting agencies upon a liberal scale for the entire nation, and to leave a balance of many millions for the national exchequer.

This brief summary of the main features of the Gothenburg System may suffice as a reminder that, while its fundamental principle is the elimination of private profit from the sale of drink, other principles have from the first been included within its scope and are



essential to its success. It is, for instance, essential to the right and safe working of the System that, subject to the strict supervision of the central government, the traffic should be locally controlled. Equally important is it that the central government should have no power of increasing the number of public-houses.

To take the trade out of private hands is not *de facto* to establish the Gothenburg System. To apply, for instance, the phrase "Gothenburg System" to the Government Spirit Monopoly of Russia, or to the State Dispensary System of South Carolina, is to confound things which are essentially distinct.<sup>1</sup> The Government Spirit

<sup>1</sup> Yet Mr. Walker writes (p. 57):—

"In only one country [Russia] has the 'Bolag' been a success financially." As a matter of fact, the Spirit Bolag or Company is non-existent in Russia.

And again, referring to the South Carolina Dispensaries, on p. 44 he writes:—

"We can, however, see a system with most of the good points of the Scandinavian 'Gothenburg' at work across the Atlantic." The Dispensary System, however, differs fundamentally from the Gothenburg System. See on this point, *The Temperance Problem and Social Reform*, pp. 425 and 426.

(The paged references to *The Temperance Problem and Social Reform* are to the seventh and subsequent editions.)

Monopoly in Russia is, as its name implies, a monopoly under State control. The Government has its own shops for the sale of spirits, and can at pleasure increase or lessen their number. The local community, except in so far as it is the agent for carrying out the regulations of the Government, has no control over the number or the conduct of these shops. A town is neither expected nor left free to work out its salvation from the drink curse as local circumstances and experience may suggest;<sup>1</sup> nor can an enlightened public opinion be brought directly to bear upon the local arrangements for the conduct of the trade. And the system has this fatal defect: the Government being able at its will to increase the number of places and facilities for the sale of drink, is exposed to the temptation which assails the Government of India in regard to opium and intoxicating liquor, the temptation to stimulate production and sale with little regard to the injury inflicted

<sup>1</sup> Recognition should, however, be given to the local effort that is put forth in connexion with the counteracting agencies. See p. 214.



upon the consumer. So long as the Russian system is administered by enlightened statesmen, who recognise that any immediate increase of drink revenue will be dearly purchased by the impoverishment of the people, the danger may not be felt, but it lurks in the system, and sooner or later is likely to be experienced.

## CHAPTER II.

### The Question of Drunkenness in Gothenburg.

#### FALLACIOUS COMPARISONS.

MANY of the critics of the Gothenburg System call attention to the large number of arrests for drunkenness in Gothenburg, and compare them with the number reported from other towns. Mr. Walker, for example, in a chapter entitled "Norway and Sweden, Statistics of Arrests," presents the following table, introducing it as a comparative table of the arrests for drunkenness in the four principal towns in Scandinavia and in four similar towns in Scotland:—

MR. WALKER'S TABLE.

Scandinavia :	Arrests for drunkenness per 1,000.	Scotland : <sup>1</sup>	Arrests for drunkenness per 1,000.
Stockholm .....	31	Edinburgh .....	13·7
Bergen.....	25	Dundee .....	14
Gothenburg .....	58	Aberdeen .....	11
Christiania .....	41	Perth .....	11

He further gives a chart showing what he supposes to be the arrests for drunkenness

<sup>1</sup> The true figures for the four Scotch towns are given on page 20, and are, it will be seen, nearly double those given by Mr. Walker.



per thousand of population in Gothenburg and Dundee. Before giving these statistics, Mr. Walker refers to the unanimity with which writers favourable to the Swedish controlling system have discredited the returns of arrests for drunkenness as untrustworthy evidence, and then adds, with curious unconsciousness of the nature of his own handling of them, that these statistics, while varying according to local conditions, "have this advantage . . . that they cannot be manipulated to support a particular theory without actual dishonesty."

The question of the extent to which arrests for drunkenness can be safely used as an index of the intemperance, or even of the visible drunkenness, of a town or country is one of difficulty, and deserves more attention than it has received. We submit, however, the following propositions:—

- 1.—Statistics of arrests for drunkenness over a term of years *in any given town* will probably be an approximately true

indication of the increase or diminution of drunkenness within its limits if no change has been made in the policy of the Watch Committee or of the Chief Constable, or in the method of tabulating arrests.

- 2.—When the comparison is made between *different towns in the same country*, the liability to error becomes great. Thus Captain G. A. Anson, the Chief Constable of Staffordshire, in a letter dated March, 1903, says “that the number of convictions for drunkenness largely depends upon the strictness with which the law is administered in different places, so that no comparison is of any use except as between different years in any one particular jurisdiction.”<sup>1</sup>

<sup>1</sup> We have inserted in the Appendix (p. 254) a table showing the yearly average number of persons proceeded against for drunkenness, including drunk and disorderly, in the quinquennial period 1897—1901, for thirty-eight representative towns in England and Wales. The figures appear to give broad indications of the drunkenness existing in different parts of the country, but also to illustrate Captain Anson's position that they cannot be used for purposes of



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3.—When the comparison is made between *towns in England and towns in Scotland or in Ireland*, the liability to error is still further increased. The method of tabulating arrests for drunkenness differs greatly in England and in Scotland; and until the passing of the Licensing Act, 1902, there were important differences between the laws affecting drunkenness in England and in Ireland.

4.—When, however, the attempt is made to institute a comparison between the arrests for drunkenness *in the United Kingdom, or any portion of it, and foreign countries*, the liability to error becomes so great that the figures are generally destitute of comparative value. Indeed, no better illustration of this can be afforded than the comparison which has been continually made between the

exact comparison between one town and another. This latter view is enforced by the following among other comparisons:—Leeds as compared with Bradford, Newcastle as compared with Gateshead, and Tynemouth as compared with Hartlepool or Sunderland.

proportion of arrests in Gothenburg and those in various Scotch and English cities. These comparisons have been made upon the assumption that the figures of arrests for drunkenness in Gothenburg were fairly comparable with the figures of arrests in the towns of Great Britain, whereas, as we shall presently show, they are altogether different, and consequently entirely worthless for comparative purposes.

Mr. Walker has fallen into the fallacy which has misled many critics of the Scandinavian experiments, and which it is necessary to expose. The figures of arrests which he quotes for Gothenburg include not merely the cases of simple drunkenness, but *also the cases of breach of the peace arising from drunkenness*.<sup>1</sup> On the other hand, the figures which he quotes for Scotland include

<sup>1</sup> Dr. Wieselgren writes us (February 21st, 1903) that in Stockholm, and, indeed, throughout Sweden, the statistics of arrests are taken out upon the same principle as in Gothenburg, and consequently include all cases of breach of the peace arising out of drunkenness.



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only the cases of "drunkenness," and do *not* include the cases of "breach of the peace" arising out of drunkenness. These latter are, however, with very few exceptions, primarily cases of drunkenness which are accompanied by "breach of the peace," and are only included under the latter heading because "breach of the peace" is the major offence. According to Colonel M<sup>c</sup>Hardy, the Chairman of the Prison Commissioners of Scotland, whose Department is responsible for the preparation of the Judicial Statistics, only from five to ten per cent. of the cases of "breach of the peace" are not primarily cases of drunkenness requiring to be included under that head for comparative purposes, and we have his authority for stating that an average deduction of seven per cent. would fully allow for all non-drunkenness cases.

We have been at pains to consult the Prison Commissioners directly in this matter, and we are informed that all statistics

purporting to give the returns of drunkenness in the towns of Scotland, which do not include the cases of breach of the peace (subject to the deduction referred to above) are misleading, and that to arrive at the real drunkenness figures it is necessary to include the cases of

(a) Breach of the peace (less seven per cent.)

(b) Drunkenness, etc., not under Intoxicating Liquor Laws.

(c) Drunkenness and Drunk and Incapable (included under Offences against the Intoxicating Liquor Laws).

Mr. Walker, therefore, has compared figures which are not comparable. His table, moreover, would have been misleading even had its figures been correct, because the towns which he selected were those in which the cases of drunkenness were exceptionally low, being in fact only two-thirds of the average for the fifteen principal towns in Scotland.

The following table shows the cases of drunkenness in fifteen representative towns



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in Scotland; the cases of breach of the peace, less a deduction of seven per cent., having been included in the drunkenness figures in accordance with the suggestion of the Prison Commissioners:—

Yearly average number of cases of drunkenness disposed of in the quinquennial period 1897-1901.<sup>1</sup>

Town.	Average Population.	Rate per 1,000 of Population.
Glasgow.....	736,684	47·07
Edinburgh.....	306,099	28·62
Dundee.....	158,894	22·95
Aberdeen.....	145,328	18·09
Paisley.....	78,000	27·00
Govan.....	76,403	37·30
Leith.....	75,083	28·61
Greenock.....	66,982	44·81
Kilmarnock.....	33,833	32·41
Hamilton.....	31,192	43·29
Perth.....	30,722	27·97
Ayr.....	26,859	51·71
Dunfermline.....	24,730	22·93
Dumbarton.....	18,300	47·60
Stirling.....	17,480	44·41
Average.....		34·98

<sup>1</sup> For a detailed statement showing the number of cases of drunkenness under each head, see Appendix, p. 256.

## DRUNKENNESS IN GOTHENBURG. 21

With the actual facts of the drunkenness in Scotland before us, we are better able to estimate the significance of the drunkenness existing in Gothenburg. In that town, as in Scotland, the people have long been addicted to the use of spirits. The arrests for drunkenness in Gothenburg per 1,000 of the population are given below. The average, it will be seen, is higher than that for Scotland taken as a whole, but the figures correspond closely with those for Glasgow:—

	Arrests for drunkenness in Gothenburg per 1,000 of the population.
1875-1879 .....	39
1880-1884 .....	34
1885-1889 .....	34
1890-1894 .....	42
1895 .....	33
1896 .....	37
1897 .....	47
1898 .....	57
1899 .....	58
1900 .....	51
1901 .....	44
1902 .....	47

There are two features of this table that call for explanation:—

- (a) The general high percentage of arrests throughout the entire period, and



(b) The increase in the percentage of arrests in the years following 1896.

The general high level of arrests is due to three causes :—(1) Less than half a century ago Sweden was probably the most drunken of the civilised countries of the world, and national habits are not quickly changed. (2) Gothenburg is surrounded by a wide Prohibition zone. The nearest public-house outside its limits is about ten English miles distant, and the city is said to supply spirits to a population equal to its own. No town in Great Britain is similarly situated. Of those arrested for drunkenness in Gothenburg in 1901, thirty per cent. did not belong to the town. (3) The excessive cheapness of spirits (the national drink), which Mr. Chamberlain has spoken of as “the standard difficulty of the friends of temperance” in Sweden and Norway. Detailed information respecting prices is given in Chapter III., but to illustrate the point under consideration,

the following comparison may be given:—  
The average dram of spirits supplied in the public-houses of the United Kingdom is one of 54·4 cubic centimetres (1·95 fluid ounces), and the average price for it is slightly more than 3d. (3·17d.),<sup>1</sup> but a dram of equal size and of almost identical strength, purchased in Gothenburg, would only cost a fraction over 1d. (1·2d.) There can be no doubt that a reduction to this level in the price of spirits in this country would lead to an appalling increase of drunkenness—probably to an extent far beyond that which exists in Gothenburg.

These facts will be deemed a sufficient explanation of the general high percentage of arrests shown in the table, but they do not account for the increased proportion of arrests since 1895. To understand this, it must be kept steadily in mind that the Gothenburg System finds but a partial application in Gothenburg; *that it applies to the sale of spirits only, and not*

<sup>1</sup> Evidence of this will be given in a work which the present writers hope shortly to publish.



*to the sale of beer.* As might have been expected, the sale of spirits, which is controlled, has been very greatly reduced since the establishment of the Company System,<sup>1</sup> while the uncontrolled sale of beer has advanced by leaps and bounds.<sup>2</sup>

It is necessary in this connexion to emphasise the fact that the Company System as administered in Sweden, and still more as administered in Norway, is essentially one of *control*. The words "management" and "public management," often used in this country as descriptive of one of the options which temperance reformers have in view, fail to convey the dominant thought of the temperance reformers of Scandinavia. How thorough is the control which the Gothenburg Bolag has exercised over the sale of spirits, the following illustrations will show.

#### NUMBER OF PLACES OF SALE.

The population of Gothenburg in 1902 was 130,702, and the entire number of places

<sup>1</sup> See p. 30.      <sup>2</sup> See p. 34.

within its limits for the "on" sale of spirits was forty-three, viz. :—

For the public-house traffic .....	14
For clubs, restaurants, and hotels (not frequented by the working- classes) .....	25
For eating-houses.....	4
	<u>43</u>

This gives one place of "on" sale for every 3,039 persons, or, if the ordinary dram shops alone are considered, one place of "on" sale for every 9,336 persons. For the "off" sale there are thirty places, of which seven are made use of by the Bolag and twenty-three are sub-let to wine merchants. There is, therefore, one place for "off" sale for every 4,356 persons. Temperance reformers in this country do not venture to ask for limitation in the number of licences equal to this.

#### HOURS OF SALE.

While the law allows the sale of branvin<sup>1</sup> over the bar to continue until 10 p.m., the

<sup>1</sup> The native spirit of the Scandinavians is commonly called "branvin," generally translated into English as "brandy." When, therefore, in this chapter the word is used, it must be understood as referring to a liquor distilled from potatoes or corn and containing from 40 per cent. to 50 per cent. of alcohol.



Gothenburg Company closes its bars at 6 p.m. in winter and 7 p.m. in summer. The higher grade divisions of the Company's shops remain open two hours later,<sup>1</sup> during which time non-native spirits only are supplied, and then only with food. All serving of branvin on

<sup>1</sup> The extended hours for the sale of superior spirits in the Bolag's own houses, and its willingness to hand over the sale of superior spirits to wine merchants, remind one of a point which Swedish correspondents think is continually overlooked in this country. Thus, an exceedingly well informed correspondent in Gothenburg writes:—"In all the foreign books I have read about the system, and they are a good many, all the authors have made a common mistake in neglecting the different customs of the different nations. In England and America, for instance, a public-house is a public-house to all classes of people. You see there very often the merchant, clerk, or foreman standing beside the working man, or even beside the loafer, taking his drink. In Sweden such a thing never happens. The foreman of a working gang would never visit a spirit shop and drink with his men. He visits instead the so-called better *afdelning* [*i.e.*, division]. This is the reason why we must have this better *afdelning*. If a working man went to a better *afdelning* and asked for a drink, he would be sure not to be served. On a Sunday, when the working man is dressed up, he might go to the better *afdelning*. It rarely happens—I can't remember having seen it—that persons get drunk at the best restaurants. In the police reports, which I receive every month, you find now and then a so-called 'half better man' taken up; he has generally got his drinks at one of the public-houses which are classed nearest to the better *afdelning* of our houses. . . . It must be remembered that the foundation of the whole system is to do good to the working people. The higher classes are considered able to take care of themselves."

Whether this is a right foundation for a system may be questioned, but if the English reader is to form a just estimate of the integrity with which the Company System has been carried out in Sweden, he must keep in mind the sharp and rigid division of classes existing in the country, and the principle upon which the Gothenburg System was avowedly based.



Sundays and holidays, and after 6 p.m. on evenings preceding such days, is prohibited, with the exception of one dram, if served with a meal, at the eating-houses between 1 and 3 p.m. The retail ("off") shops are open from 9 a.m. till 6 p.m. The law would allow them to be open from 8 a.m. to 7 p.m. They are closed during the whole of Sunday. The importance of this early closing will be evident from the fact that in the large cities of our own country a considerable proportion of the trade is done after 7 p.m. It is particularly to be noted that on Saturday nights, and on other occasions when excessive drinking is to be anticipated, the Bolag *shortens the hours of sale.*

The Bolag has moreover introduced a more daring restriction. In order that the spirit shops may be converted more and more into restaurants for the working classes, the Bolag has decided *that during the dinner hour, between 12 and 2 p.m., all sale of branvin shall cease at these places, except when taken with meals.* Acting



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in the same spirit, the Bolag has opened eating-houses in different parts of the town, where cooked food is served throughout the day, and where branvin is supplied, if ordered and paid for as an extra, to persons taking their meals there, only one dram being allowed to each visitor. There are at present four houses of this class. When these houses were first opened, a visitor, as a rule, took his dram; now more than half the visitors take their meals without ordering branvin.

### SALE OF LIQUOR TO YOUNG PERSONS.

The Swedish law forbids the selling of branvin to persons under the age of fifteen, but the Company has voluntarily raised the age limit to eighteen, thus excluding young persons from the licensed houses three years longer than is prescribed by law. In this country, under the Act of 1901 (1 Edw. VII., c. 27), it has been made illegal to sell "any description of intoxicating liquor to any person *under the age of fourteen years* for consumption by any person

on or off the premises," except in sealed vessels. The limit imposed by the Bolag is therefore four years higher than that now adopted in this country.

Again, the Bolag has abolished all sales on credit.

Severe as these restrictions will seem to the English reader, they have been carried out with such judgment, and with so full a knowledge of what the public opinion of the city would support, that there has been no driving of the traffic below the surface, and no club difficulty, nor has the restriction led to illicit sale.

The existence of these restrictions and their unquestioned rigid enforcement make it *a priori* impossible that the recent increase in the arrests for drunkenness in Gothenburg can justly be attributed to the Controlling System, and the difficulty is greatly increased when it is seen that these restrictive measures have resulted in a diminished sale of spirits, especially in the bar or "on" sale, which



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necessarily represents consumption upon the spot. That such has been the case to a remarkable extent will be seen from the figures in column I. of the appended table:—<sup>1</sup>

YEAR.	Bolag Sale of Spirits in Gothenburg. Litres per Inhabitant.		
	I. Bar or "on" sale.	II. Retail or "off" sale.	III. Total.
1875 <sup>2</sup>	12.99	14.46	27.45
1876	13.18	15.21	28.39
1877	14.06	12.82	26.88
1878	13.61	11.19	24.80
1879	12.58	9.32	21.90
1880	11.11	9.09	20.20
1881	10.13	9.02	19.15
1882	9.12	8.59	17.71
1883	8.60	9.48	18.08
1884	8.55	9.63	18.18
1885	8.44	9.62	18.06
1886	8.22	9.53	17.75
1887	7.65	9.25	16.90
1888	7.46	9.29	16.75
1889	6.50	9.56	16.06
1890	6.43	9.56	15.99
1891	6.69	8.14	14.83
1892	5.90	7.65	13.55
1893	5.27	7.93	13.20
1894	4.91	8.12	13.03
1895	4.98	8.13	13.11
1896	4.94	8.31	13.25
1897	5.12	8.56	13.68
1898	5.45	9.14	14.59
1899	5.95	10.05	16.00 <sup>3</sup>
1900	5.69	10.47	16.16
1901	5.48	10.57	16.05
1902	5.76	8.86	14.62

<sup>1</sup> For the foundation of this Table see Appendix, p. 265.

<sup>2</sup> "In the Act of 1855 an unfortunate clause had given all shopkeepers with a general trading licence the right to sell spirits for

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It is thus seen that the "on" sale of spirits in Gothenburg per inhabitant in 1902 was actually less than one-half what it was as recently as 1875. Surely this is a remarkable result! As was to be expected, the reduction in the "off" sale has been less than in the bar sale. The restrictive agencies of shorter hours, the non-serving of young persons and the like, would almost certainly affect the "off" sales less powerfully than the "on." They would hardly at all affect the great population living in the prohibition area outside the City.

An examination of the second column will show that the present *per capita* "off" sale is 39 per cent. less than it was in 1875.

In the conduct of its shops for "off" sale the policy of the Bolag has been one of

'off' consumption in quantities of not less than half a gallon. To put it briefly, every shopkeeper could sell for 4s. 6d. half-gallon bottles of spirits. It was thought that this quantity was large enough to prevent spirits being bought retail for immediate consumption. But the workmen clubbed together, bought at this wholesale rate, and consumed it on private premises, thus defeating the law and the Company. In 1874 the law was altered, and the whole retail spirit traffic transferred to the Company. The record of its achievements, therefore, really dates from that year."—Workman, *What is the Gothenburg System?*

<sup>3</sup> For the explanation of the increased consumption in the years 1899 to 1901 see pp. 44-48.



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steady restriction. Sales on credit are not permitted; the hours of sale have been shortened; and since 1866 the price of spirits for "off" sale has been advanced 50 per cent.<sup>1</sup> Taking the "on" and "off" sale together, the *per capita* reduction in the Bolag sale of spirits since 1875 is more than 46 per cent.

With this reduced consumption of spirit, and with this efficient control over the sale, the apprehensions for drunkenness ought steadily to have declined. Why have they not declined? Obviously there must be a factor, not present in the Company System, which is responsible. The explanation is found in the fact that in Gothenburg, as throughout the towns of Sweden, two

<sup>1</sup>Acting upon the principle to which attention has already been directed (see note, p. 26), the Company has not retained the "off" sale of "superior spirits" in its own hands, but has let twenty-three of the "off" licences to wine merchants. The intention of the licence was to forbid the sale of branvin in the city except in wholesale quantities (250 litres), whilst allowing the sale of wine and "superior spirits." It is, however, said that the terms of the licence are evaded, and that the "cognac" sold by the wine merchants in litre bottles is the native spirit coloured and strengthened. The wine merchant may not sell any spirit under 1 kr. 80 öre per litre, whilst the price of the branvin sold by the Bolag is 1 kr. 35 öre per litre. It is

systems have been at work at the same time, namely, the Controlling System as regards spirits, but something approaching to Free Trade under the stimulus of private gain in the sale of beer and doctored wines.<sup>1</sup>

The result has been exactly what might have been expected, namely, a great reduction in the consumption of spirits and a great increase in the consumption of beer. The consumption of spirits and of beer in Sweden since 1875 has been as follows:—

doubtful, however, whether the margin in price is sufficient, especially when it is remembered that the alcoholic strength of the branvin sold by the Bolag is 43 degrees, whilst the wine merchants are at liberty to sell spirit with an alcoholic strength of 50 degrees.

<sup>1</sup> Mr. James Whyte, the Secretary of the United Kingdom Alliance, writes (*The United Kingdom Alliance Vindicated*, p. 53) that the Bolag controls "a good deal of the beer trade in Gothenburg." This is a mistake. The Bolag controls only its own sale of beer. Mr. Andrée states that the average quantity of beer sold by the Gothenburg Bolag in the years 1897, 1898 and 1899 was 156,400 litres, so that the quantity sold by the Bolag was not as much as one eighty-fifth portion of the entire sale of the city (see p. 40, footnote).



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YEAR.	SPIRITS. (50 per cent. alcohol.) Litres per head of the population.	BEER. Litres per head of the population.
1875	12·4	16·4
1876	12·4	15·9
1877	10·6	17·0
1878	10·5	20·5
1879	8·8	16·4
1880	8·1	16·2
1881	8·8	18·3
1882	8·0	15·8
1883	6·8	16·8
1884	8·0	20·8
1885	8·4	20·3
1886	7·8	22·1
1887	7·0	22·7
1888	7·5	27·2
1889	6·2	28·2
1890	7·1	27·4
1891	6·6	30·9
1892	6·7	30·8
1893	6·8	31·6
1894	7·0	33·0
1895	7·0	35·5
1896	7·3	42·4
1897	7·6	45·0
1898	8·1	50·0
1899	8·6	} No returns.
1900	8·7	
1901	8·7	

It will be seen from this table that the sale of beer in Sweden per head of the population has risen from 16·4 litres in 1875 to 50 litres in 1898,<sup>1</sup> an increase of more than 204 per cent.

<sup>1</sup> The latest year for which figures are available.

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Mr. Andrée, the Manager of the Gothenburg Bolag, informs us that the average yearly sale of beer in Gothenburg for the three years 1897, 1898 and 1899 was:—

Beer .....	13,400,000 litres
“Small” Beer .....	4,200,000 „
	<hr/>
	17,600,000 „
	<hr/>

During the same period the average population of Gothenburg was 120,018. The average yearly *per capita* sale would therefore be as under:—

	Litres.		Imperial Gallons
Beer .....	111	equal to	24'45
“Small” Beer....	35	„ „	7'71
	<hr/>		<hr/>
	146	„ „	32'16 <sup>1</sup>
	<hr/>		<hr/>

In the case of beer, however, as of spirits, Mr. Andrée says that Gothenburg supplies an outside population equal to its own; so that allowance must be made for this in

<sup>1</sup> The estimated *per capita* consumption of beer in Great Britain and Ireland for the year 1901 was as under:—

England and Wales. Imperial Gallons.	Scotland. Imperial Gallons.	Ireland. Imperial Gallons.	United Kingdom. Imperial Gallons.
Beer ... 35'00	11'90	19'50	30'81



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attempting to arrive at the true *per capita* consumption of beer in the city.

The stronger beer is sold by the bottle at a price equal to 1s. 10·4d. per imperial gallon, and the medium beer at a price equal to 1s. 2·1d. per imperial gallon. The "small" beer, however, is sold for five öre per glass of 650 c.c., equal to no more than 4·66d. per gallon.

Assuming that the consumption of beer has increased at the same rate in the City of Gothenburg as in Sweden as a whole, the *per capita* consumption in the city will now be more than three times what it was in 1875.

Now what are the conditions under which this large quantity of beer is sold? We have seen how few are the places in Gothenburg at which spirits can be obtained, but the number of "on" beer licences is 174, and there are no less than 662 other places where beer can be bought for consumption off the premises.

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The same contrast is noticed in the hours of sale. It will be remembered that the Bolag spirit bars close at 6 p.m. in winter and 7 p.m. in summer, while the shops for the "off" sale of spirits close at 6 p.m. all the year round. But the licensed "on" beer-houses keep open until 10 p.m. all the year round, and the shops that carry on the "off" sale may be open during the night and part of Sunday. The following extract from a "Report from the Police of Gothenburg to the Committee appointed by the King for taking the Malt Liquor question into consideration (March, 1900)" will show the actual condition of things. The police say:—

"At the end of last year there were here about 660 shops where malt drinks were sold ["off" sale]. About 200 of these were bonâ-fide [grocery] stores where the beer sold was exclusively for household use, and against this nothing can be said; but in the others the beer sale may be said to be the chief thing. These beer



shops are, besides, found for the greater part in the outskirts of the city, or in the parts of the town where the magistrates generally have not allowed Temperance Cafés. It is quite clear that under these circumstances the beer sale that is carried on both during the night and also partly during Sundays and holy days will cause inconvenience of several kinds. Not only that the lower classes of the population through this are given an opportunity to get beer in excessive measure for consumption at home (this has been the active cause of making and stimulating the so-called home drinking, and even the women have begun to give themselves to drunkenness), but around these beer-shops the loose male population gathers late in the evenings, and people drink the beer so bought in the street, and in alleys, and other out-of-the-way places. Of course the police, according to par. 15 in the Temperance regulations, have power to

prohibit, for a fixed time or permanently, the sale of beer at any place where in consequence of the sale illegal practices arise or general disorder is caused. But, on the one hand, the necessary evidence cannot always be had, and, on the other, the police prohibition is generally circumvented in the following manner. After the police have forbidden a certain person to sell malt drinks for fetching ["off" sale], immediately after this another person presents himself before the magistrate to carry on business in the same shop, where the business is then carried on as before. In this way three different persons have in one instance during a very short time followed each other in the same shop, and through this almost unlimited liberty to sell beer for consumption off the premises, the good intent of the rules is worked against, and the police regard it as a real necessity that the licence to sell beer



should be made less easy, and should not be given without special permit."<sup>1</sup>

We have thus the two systems brought into sharp contrast. On the one hand, as regards spirits, wise restriction in various directions enforced without difficulty or friction; and on the other, as regards beer and wine, a phase of that unending conflict between the interests of the public and the interests of the individual

<sup>1</sup> The effect of control upon the visible drunkenness of a city has received a striking illustration in the case of Liverpool. We refer to it at length at pages 192-210, but, to illustrate the point now under consideration, may here say that the arrests for drunkenness in Liverpool, which in 1889 were 16,042, had in 1902 sunk to 5,115, this extraordinary reduction, moreover, having taken place concurrently with a great increase in population. This reduction, as we show, was almost entirely due to efficient control of the traffic. Liquor has no doubt been withheld in recent years from those verging on drunkenness, but the amount so held back must have been quite immaterial in its relation to the total consumption of the city, a consumption which, indeed, is very great. The absence of control (as in the sale of beer in Gothenburg) is necessarily productive of much drunkenness. Mr. Whyte argues, in his pamphlet "The United Kingdom Alliance Vindicated" (p. 53), that because the *large proportion of the sale of alcohol* in Gothenburg is under Company control, it is not likely that the inclusion of the remainder could greatly affect the temperance conditions of the city. This statement, as it stands, is somewhat misleading, since, as we have pointed out, the control of the Gothenburg Company is practically confined to spirits, the *per capita* consumption of which in 1901 was 16 litres, whereas the *per capita* consumption of beer was 146 litres, only one eighty-fifth part of which is controlled by the Company. But the view itself is entirely at variance with the decisive experience of Liverpool. It is at variance, moreover, with the opinion expressed in the following words, which we quote from an editorial article in the *Alliance News* of July 13th, 1894:—"We think that if the whole of the liquor trade in the towns of Sweden and Norway, instead of only the trade in spirits, had been placed under 'the system,' the effect on the sobriety of the people would have been much more marked than, under the present restricted application of the principle, has been the case."



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trader which, with its resultant inefficiency of control, is the invariable accompaniment of private licensing.

The effect of the two systems—control as regards spirits, and unrestricted sale as regards beer—is strikingly shown in the annexed table, in which the arrests for drunkenness during the five years commencing with 1875 are compared with the arrests during the five years ending with 1901:—<sup>1</sup>

### ANALYSIS OF ARRESTS FOR DRUNKENNESS IN GOTHENBURG.

YEARS.	Number who drank last at								Total.
	Bars of the Company.	Per-cent-age of total.	Beer Saloons	Per-cent-age of total.	Home or from a bottle purchase.	Per-cent-age of total.	Place not re-ported.	Per-cent-age of total.	
1875-79. Annual Average	1,038	42%	253	10%	332	13%	861	35%	2,484
1897-1901. Annual Average	1,286	20%	1,715	27%	1,848	29%	1,523	24%	6,372

<sup>1</sup> Referring to this table, Mr. Walker writes (p. 18):—"When the arrests for drunkenness became so abnormal that the Company was likely to get into serious disrepute on that account, some clever local official must have suggested that the beer-shops should be convicted of causing the increase, and with this object the authorities took the trouble to inquire of each person arrested where he was last served." Did it never occur to Mr. Walker, when making this insinuation, to find



Mr. Walker comments upon this table as follows :—

“It is evident that when the half-tipsy [a pure assumption] workman is turned out at the ‘Bolag’ closing-hour he will resort to the still open beer-shop, and thence the consumption of libations of beer on the top of ardent spirits would soon and naturally lead to the police station. He would thus be last served at the latest open place of entertainment, *i.e.*, the beer-shop. If one-half of the public-houses in a city shut at six and the other at eleven, it is certain that mostly all the incapables could be traced to the eleven o’clock houses, as the experience of the police is that the largest percentage of arrests occurs after closing-time.”

out the actual facts? Had he done so he would have ascertained that the inquiry was instituted with a view of enabling the Company to exercise a stricter control over its bar managers. Dr. Wieselgren writes us :—“In 1874 I made a proposal to the board of the Gothenburg Public-house Company, that the police authority of the town should be asked to inquire where every person, taken into custody for drunkenness, had been supplied his last drink, and that statistics on the basis of this inquiry should be handed over to the board. The object of this measure, which has been taken since the beginning of 1875, was simply to make it possible for the directors to exercise a control over bar stewards and to prevent the serving of intoxicated persons. If the statistics pointed to a particular public-house, the directors and the controlling inspectors of the Company had reason closely to watch the manager there and his people. Thus the police authority well know that for twenty-eight years the Company directors have been very desirous of having untrustworthy managers reported to them.” It will be thus seen that valuable as the inquiry has been in demonstrating the effect of the uncontrolled sale of beer, the benefit is an incidental one, the figures having been obtained for another purpose.

True. *But the explanation would apply to the first quinquennial period equally with the last.* In the first period, however, forty-two per cent. of those arrested had drunk last at the Company's bars, and in the latter period only twenty per cent. In the earlier period, moreover, only ten per cent. of those arrested had drunk last at the beer saloons, but in the latter period the proportion had risen to twenty-seven per cent.

The significance of these figures is perhaps even more strikingly shown by the fact that, in the earlier period, those arrested for drunkenness who had drunk last at the Company's bars, numbered 16 per 1,000 of the population, and in the latter period 10 per 1,000; while in the case of those who had drunk last at the beer saloons, the number had grown from 4 per 1,000 of the population in the years 1875-79, to 14 per 1,000 in the years 1897-1901. The further question remains: Why do the Bolag shops close at six, and the beer saloons keep open till ten? The obvious answer is that the Bolag considers the interest



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of the public, while the private trader considers his own interest. Mr. Walker adds:—"Yet that inquiry has shown that an average of 975 persons were annually arrested who admitted drinking last at the 'Bolag.' This astounding number is said to be a less percentage than formerly, but it is large enough to dispose of the 'Bolag's' claim to act as a temperance agency." *The percentage, it will be remembered, had fallen from forty-two in the period 1875-79 to twenty in the period 1897-1901.*<sup>1</sup>

In addition to the ever present influence of the uncontrolled sale of beer upon the intemperance of Gothenburg, the great prosperity of Sweden in more recent years has had the same effect upon consumption that

<sup>1</sup> Occasionally one meets with English writers who actually attribute the drunkenness of Gothenburg to the Company System. The question may be asked: What part of the Company System is thus responsible? Is it the fewness of the public-houses (one to every 3,039 of the population), or the severe limitation of the hours of sale, or the refusal to supply young persons under eighteen, or the non-giving of credit, or is it the reduction of fifty-six per cent. in the bar sales of spirits between 1875 and 1902? If, as is stated, more than 17,000,000 litres of beer are sold annually in Gothenburg, and if the sale is carried on without the wise restrictions that attach to the Company sale of spirits, there seems no occasion to seek further for an explanation, or to resort to a hypothesis so extravagant as that under consideration.

good times have on the Drink Bill of this country.

Through the courtesy of some leading Gothenburg firms, we have obtained the following information as to the advance in wages in that city since 1865. The figures are of so much interest, not only in this connexion, but in relation to general economics, that we give them *in extenso*, adding the English equivalents and the percentages of increase :—

“Gothenburg, 5th January, 1903.

“In reply to your inquiry I beg to say that the daily wage of the workmen of the Corporation, who are not paid by the job, amounted during the year 1865 to kr. 1·24-1·52 (1s. 4½d.-1s. 8¼d.), and during the year 1902 to kr. 2·60 (2s. 10¾d.).

“Yours, etc.,

“FIGGE BLIDBERG,

“Chief of Department.”

*The increase is at the rate of 88·4 per cent.*

“Gothenburg, 7th January, 1903.

“We hereby certify by request that the wages paid on the whole to workmen at our Breweries, taking into account workmen receiving regular wages, amounted to kr. 10 (11s. 1¼d.) per week in 1865 as against kr. 18 (£1) per week in 1902.

“AKTIEBOLAGET J. A. PRIPP & SON.”

*The increase is at the rate of 80 per cent.*



"Gothenburg,

"5th January, 1903.

"We hereby state by request that the working wage of an ordinary unskilled painter amounted during 1865 to 15 kr. (16s. 8d.) per week during the summer months, reckoning seventy-two working hours per week, and to 10 kr. (11s. 1½d.) per week during the rest of the year, with sixty working hours per week; the *annual* wage hence amounted to 650 kr. (£36 2s. 2½d.)

"During the year 1902 the wage was 27'26 (£1 10s. 3½d.) per week (47 öre per hour, *i.e.*, 6¼d.) for the summer months, with fifty-eight working hours per week, making in all 709'10 kr. (£39 7s. 10¾d.) During the rest of the year it was 40 öre (5¼d.) per hour, with fifty-four to thirty-six working hours per week, the wages for this period hence amounting to kr. 394'32 (£21 18s. 1½d.) This makes kr. 1,103'48 (£61 6s. 1d.) for the entire year.

"Yours etc.,

"Förenade Mälaremästarnes Aktiebolag,

"J. F. Harström."

*The increase per hour is at the rate of 133'6 per cent.*

*The increase per annum is at the rate of 69'8 per cent.*

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Statement of wages per hour paid to workmen employed at the Lindholmens Verkstads Aktiebolag during the years 1865 and 1902.

	1865.		1902.		Percentage of Increase.	
	Wage per hour.	Equivalents in £ s. d.	Wage per hour.	Equivalents in £ s. d.	Per hour.	Per day.
		d.		d.		
Smiths for ships' plates ...	19 öre	2½	32 öre	4½	68·4	53·1
Assistants for do. ...	11 „	1½	23 „	3	109·1	90·1
Engineers ...	19 „	2½	33 „	4½	73·7	57·9
Carpenters...	18 „	2½	30 „	4	66·7	51·5
Founders ...	19 „	2½	32 „	4½	68·4	53·1
Smiths ...	18 „	2½	31 „	4½	72·2	56·6
Cabinet-makers ...	20 „	2½	31 „	4½	55·0	40·9
Outside workmen (Dock and slip, etc.) ...	11 „	1½	23 „	3	109·1	90·1
Working day ...	11 hours		10 hours			

Lindholmens Verkstad, 5th January, 1903.

SVEN ALMQVIST.

A feature of these tables is that the remuneration of unskilled labour has advanced at a much higher rate than the wages of skilled labour. In the case of labourers, the advance in the thirty-eight years seems to have been from eighty to ninety per cent.; while cabinet-makers have only advanced forty-one per cent., carpenters fifty-one-and-a-half per cent., smiths and founders about fifty-five per cent. No



doubt during the same period rents and rates, along with some kinds of food, have advanced in price. On the other hand, the cost of flour and clothing is less. It cannot be questioned that the purchasing power of the labourers, from whose ranks the great proportion of those arrested for drunkenness come, has enormously increased since 1865.<sup>1</sup>

Collateral evidence in the same direction is afforded by the increase of material wealth in Norway. Writing in 1892, Mr. Thomas M. Wilson, of Bergen, a very careful and well-informed observer, said:—"In estimating the improvement that has taken place in the drinking habits of the Norwegians since the introduction of control, bear in mind that the ability to indulge in intoxicating liquors is practically doubled since 1871."

<sup>1</sup> The British Consular Report of April, 1900, dealing with the industrial development of Sweden, says that "the value of Swedish industrial produce thirty years ago has been estimated at £5,555,500, in the beginning of the nineties at £16,666,600, and a couple of years ago at £55,555,000. The power of consumption has trebled itself during the last thirty years."

The final question which the temperance reformer of this country will ask is, whether the Company System does or does not tend to the reduction of consumption, and to a lessening of intemperance. One piece of evidence of great weight may be added to that which has already been given. If thoughtful and disinterested persons resident in the place, who are concerned for its moral progress, and who have a full knowledge of local conditions, recognize the Company System as a temperance agency, and desire to see it extended to the sale of beer, the evidence in favour of the system becomes irresistible. Striking evidence of this kind is supplied by the fact that in November, 1898, the Bishop and the Dean of Gothenburg, together with thirty clergymen in active service in and around the town, "concerned with the evil consequences caused by the beer-houses," petitioned the Royal Governor of the province that various restrictions might be applied to the sale of beer, such as



have been applied by the Bolag to the sale of spirits. The special importance of the petition lay in its concluding words, which were as follow:—"Finally we should recommend as a suitable measure that the present number of beer licences should be successively reduced, whenever the present holders, owing to death or other causes, cease to use them; so that eventually all these licences, with the exception of those connected with the serving of food, should come under the control of the Gothenburg Public-House Licensing Company,—conducted according to the Gothenburg System."<sup>1</sup>

NOTE.—Mr. Walker's indictment of the working of the Gothenburg System in Finland is discussed in the Appendix. See p. 257.

<sup>1</sup> For further evidence of the same character, see pp. 145-147.

### CHAPTER III.

#### Prices and Duties in Sweden and Norway.

WE have already called attention to the excessive cheapness of spirits in Sweden. We stated that the average size of the dram of spirits supplied in the public-houses of the United Kingdom is 54·4 c.c., and the average price of it is slightly more than three-pence (3<sup>d</sup>·17); whilst a dram of equal size and of almost identical strength, purchased in Gothenburg, would cost only a fraction over a penny (1<sup>d</sup>·2). We expressed the opinion that were the English price brought down to the level of the Gothenburg price, an appalling increase of drunkenness would result. In the following table the price of a dram of spirits as sold in the controlling companies' shops in the Swedish towns of Stockholm and Gothenburg is compared with the prices charged in the controlling companies' shops in the



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Norwegian towns of Christiania and Bergen. The average price charged for the dram in the United Kingdom is also added:—

PRICE OF DRAM OF SPIRITS ("ON" SALE)  
AS SOLD BY THE CONTROLLING COMPANIES IN  
THE LARGEST TOWNS IN SWEDEN AND NORWAY.

TOWN.	Percentage of Absolute Alcohol.	Size of Dram.	Price of Dram.	Equivalent price per Imperial Gallon.
<b>Sweden—</b>				
Stockholm ... (Population 301,000)	43	50 c.c. ...	8 öre	s. d. 8 1½
Göteborg ... (Population 130,702)	43	50 „ ...	8 <sup>1</sup> „	8 1½
<b>Norway—</b>				
Christiania ... (Population 228,000)	45	50 „ ...	15 „	15 1¾
Do. ...	45	35 „ ...	10 „	14 5
Do. ...	36 <sup>2</sup>	50 „ ...	12 „	12 1½
Do. ...	36 <sup>2</sup>	35 „ ...	8 „	11 6½
Bergen ... (Population 75,000)	45 <sup>3</sup>	35 „ ...	10 „	15 1¾
Do. ...	39 <sup>3</sup>	33·3 „ ...	7 „	10 7¼
United Kingdom ...	43·6	54·4 „ ...	3 <sup>d</sup> ·17	22 0¾

<sup>1</sup> The price has since (February, 1903) been raised to 9 öre, equal to 9s. 1d. per imperial gallon.

<sup>2</sup> The sale of this 36 per cent. quality is said to be only about 5 per cent. of the total sale.

<sup>3</sup> The sales are about equally divided between the 45 per cent. and the 39 per cent. qualities.

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It will be seen that the 50 c.c. dram is sold in Stockholm and Gothenburg at a price equivalent to 8s. 1½d. per imperial gallon, but in Christiania a dram of the same size but of a slightly greater strength is sold at 15s. 1¾d. per imperial gallon.

Now it is a striking fact that the *per capita* sale of spirits (as well as of beer) is in Norway less than one-half that in Sweden. Many causes contribute to bring about this result, but there can be no doubt that the excessive cheapness of spirits in Sweden is an important factor in stimulating consumption. The annexed table gives the prices charged for "off" sale in the Company shops in the towns enumerated in the previous table:—



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PRICE OF SPIRITS ("OFF" SALE) AS SOLD BY  
THE CONTROLLING COMPANIES IN THE LARGEST  
TOWNS IN SWEDEN AND NORWAY.

TOWN.	Percentage of Absolute Alcohol.	Price.	Equivalent price per Imperial Gallon.
Sweden—			s. d.
Stockholm ...	46 <sup>1</sup>	1 kr. 15 öre per litre (customer supplying bottle) ... ..	5 9 <sup>3</sup> / <sub>4</sub>
Göteborg ...	43	1 kr. 20 <sup>2</sup> öre ditto	6 0 <sup>3</sup> / <sub>4</sub>
Norway—			
Christiania ...	45	2 kr. 20 öre <sup>3</sup> ditto	11 1 <sup>1</sup> / <sub>4</sub>
" ...	36	1 kr. 60 öre <sup>3</sup> ditto	8 1
Bergen ...	45	1 kr. 60 öre per three- fourths of a litre <sup>4</sup> (customer supplying bottle) ... ..	10 9 <sup>1</sup> / <sub>4</sub>
" ...	39	1 kr. 20 öre ditto	8 1

In Stockholm it will be seen that a spirit of an alcoholic strength of 46 degrees is sold at a price equivalent to 5s. 9<sup>3</sup>/<sub>4</sub>d. per imperial gallon, while in Christiania a spirit one degree weaker is sold at a price equivalent

<sup>1</sup> The strength mainly sold.

<sup>2</sup> The price has since (February, 1903) been raised to 1 kr. 35 öre, equal to 6s. 9<sup>3</sup>/<sub>4</sub>d. per imperial gallon.

<sup>3</sup> The prices actually charged in Christiania for the litre bottles are kr. 2.30 and kr. 1.70. These charges, however, include the price of the bottle. To obtain comparative figures, 10 öre (the ascertained cost of the litre bottle) has been deducted from each of the prices.

<sup>4</sup> Although in Bergen the quotation is given as "per three-fourths of a litre," an extra charge of 10 öre is made if the buyer does not bring an empty bottle.

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to 11s. 1½d. per imperial gallon, and in Bergen at 10s. 9½d. If it be asked how it is that the Norwegian controlling companies charge so much more for spirits than do the Swedish controlling companies, the explanation is chiefly found in the difference in duties imposed in the two countries, as shown below :—

	Duty per litre. (50 per cent. alcohol.)	Equivalent amount per Imperial gallon. s. d.
Sweden .....	50 öre <sup>1</sup> .....	2 6½
Norway .....	1 kr. 14 öre <sup>2</sup> .....	5 9

The duty in Norway is therefore more than twice the duty levied in Sweden, but even the Norwegian duty is 5s. 3d. per gallon less than the duty imposed in this country.

<sup>1</sup> As we write, information reaches us that the duty has this year (1903) been advanced to 65 öre per litre, equal to 3s. 3½d. per Imperial gallon.

<sup>2</sup> In 1888 the Norwegian duty on spirits (100 per cent. alcohol) was fixed at 1 kr. 60 öre (1s. 9½d.) per litre. In February, 1894, the duty was advanced to 1 kr. 90 öre (2s. 1½d.) per litre. In May, 1895, the duty was further advanced to 2 kr. 40 öre (2s. 8d.) per litre, but in 1900 was reduced to 2 kr. 28 öre (2s. 6½d.). In the above table, for purposes of comparison, the duty is shown as upon spirits of 50 per cent. alcohol.



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The relation of taxation to consumption is further suggested in the case of beer. It has already been stated that the *per capita* consumption of beer in Sweden is now double that of Norway, and, as will be seen from the figures below, the consumption in Sweden has grown rapidly in recent years, while that of Norway has remained stationary:—

Consumption of Beer.		Litres per head of the Population.	
		Sweden.	Norway.
1891	.....	30·9	..... 21·7
1892	.....	30·8	..... 20·6
1893	.....	31·6	..... 20·8
1894	.....	33·0	..... 19·8
1895	.....	35·5	..... 17·7
1896	.....	42·4	..... 16·2
1897	.....	45	..... 17·8
1898	.....	50	..... 21·6
1899	.....	} No returns.	..... 23·2
1900	.....		..... 22·7
1901	.....		..... 20·0

Now in Sweden there is no tax upon either beer or malt, but in Norway there is a very

## SPIRIT DUTIES AND PRICES. 57

heavy tax upon malt.<sup>1</sup> The Chief of the Statistical Department of Christiania informs us, under date 4th February, 1903, that "one litre of beer is taxed on an average, according to the malt it contains, at about 11 to 12 öre<sup>2</sup> [equal to 6½d. to 7½d. per imperial gallon].<sup>3</sup> The duty on imported beer in casks is at present 22 öre per kilo, and that on bottled beer 27 öre per litre."

To the English on-looker it would seem as though Sweden might, with benefit to its finances no less than to its people, advance

<sup>1</sup> There has been a progressive advance in the Excise duty upon malt in Norway as shown below:—

		Ore	Equivalent price		
		per Kg.	per bushel of 40 lbs.		
			£	s.	d.
1871-7	.....	11·2	0	2	3
1877-8	.....	14·0	0	2	10
1878-9	.....	17·0	0	3	5½
1894-5	.....	21·1	0	4	3
1895	.....	37·1	0	7	5¾

<sup>2</sup> The quantity of malt on which the tax is levied is known, but the quantity of beer manufactured from the malt is estimated. If less beer is actually brewed from a given quantity of malt than the official estimate, the incidence of the tax will be greater, and *vice versa*.

<sup>3</sup> This duty, it will be seen, is very high. In England, the Excise duty upon beer is 7s. 9d. per barrel of 36 gallons. The Norwegian duty, taken at 7d. per imperial gallon, would give an equivalent figure of 21s. per barrel of 36 gallons.



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the duty upon spirits to at least the Norwegian level, and also impose an excise and customs duty upon beer.

The restrictive action of the controlling companies, to which reference has already been made, has further shown itself in a progressive advance in the price of spirits, as well as in a progressive reduction of their alcoholic strength:—

TABLES SHOWING THE ADVANCES THAT HAVE BEEN MADE IN THE SELLING PRICE OF SPIRITS AS SOLD BY THE CONTROLLING COMPANIES IN THE LARGEST TOWNS IN SWEDEN AND NORWAY.

### SWEDEN.

For consumption ON the premises.

STOCKHOLM.			GOTHENBURG.		
Years.	Price per glass of 50 c.c.	Alcoholic strength.	Years.	Price per glass of 50 c.c.	Alcoholic strength.
1877-79	6 öre		1866-69	6 öre	In 1866 the strength was 47%; in 1884 it was reduced to 46½%; in 1888 to 45%; in 1889 to 44%, and in 1902 to 43%.
1880-87	7 "	44%	1880-87	7 "	
1888-1902	8 "	43% (since 1891)	1888-1902	8 "	
			1903	9 "	

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## SWEDEN.

For consumption OFF the premises.

STOCKHOLM.			GOTHENBURG.		
Years.	Price per litre.	Alcoholic strength.	Years.	Price per litre.	Alcoholic strength.
1877-78	0.76 krona	46%	1866-87	0.90 krona	Same as for "on" sale.
1879-85	0.84 "	"	1888	1.00 "	
1886-87	0.92 "	"	1889-90	1.04 "	
1888-90	1.04 "	"	1891	1.10 "	
1891-1901	1.10 "	"	1902	1.20 "	
1902	1.15 "	"	1903	1.35 "	

## NORWAY.

For consumption ON the premises.

### BERGEN.

Branvin 45% alcohol.

Branvin 39% alcohol.

Years.	Size of glass.	Price.	Years.	Size of glass.	Price.
1877-88	50 c.c.	10 öre	1877-88	50 c.c.	7 öre
1888-96	40 "	"	1888-96	40 "	"
since 1896	33.3 "	"	since 1896	33.3 "	"



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## NORWAY.

For consumption OFF the premises.

### CHRISTIANIA.

Branvin 45% alcohol.

Branvin 36% alcohol.

Years.	Price per litre.	Years.	Price per litre.
1886-95	2 kroner	1886-95	1 krone 45 öre
since 1895	2 „ 30 öre	since 1895	1 „ 70 „

### BERGEN.

Branvin 45% alcohol.

Branvin 39% alcohol.

Years.	Price per bottle $\frac{3}{4}$ -litre. <sup>1</sup>	Years.	Price per bottle $\frac{3}{4}$ -litre. <sup>1</sup>
1877-88	1 krone 25 öre	1877-88	0.90 krone
1888-96	1 „ 35 „	1888-96	0.95 „
since 1896	1 „ 60 „	since 1896	1.20 „

An examination of the preceding tables shows that in Stockholm, Gothenburg, Christiania and Bergen, either the price has been raised or the size of the dram has been reduced. In Gothenburg it will be

<sup>1</sup> Although in Bergen the quotation is given as "per bottle of  $\frac{3}{4}$ -litre," an extra charge of 10 öre is made if the buyer does not bring an empty bottle.

noticed that not only have there been many advances in price, but the alcoholic strength of the spirit has been repeatedly reduced.

NOTE.—The argument that the amount of duty greatly affects the consumption of spirits is corroborated by the comparative statistics of the European countries in which spirits are chiefly consumed. In Denmark, for example, the consumption of spirits is much higher than in any other European country, or indeed in any country for which statistics are available, while the duty is exceptionally low. We can hardly be wrong in suggesting a connexion between this enormous consumption and the low price at which spirits are sold consequent upon the very low rate of duty.

The *per capita* consumption of spirits in several countries, together with the duty, shown as for an imperial proof gallon, is given below. For purposes of comparison these duties are all given in terms of



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50 per cent. alcohol, although in some cases the duty is levied upon a standard of 100 per cent. alcohol:—

Country.	Consumption of Spirits per head of population 1901. <sup>1</sup> 50 per cent. alcohol.	Amount of Duty Charged. 50 per cent. alcohol.	
		s.	d.
Denmark ... ..	3·21	0	5 $\frac{3}{4}$
Belgium ... ..	2·20	3	7 $\frac{1}{2}$
Sweden ... ..	1·91	2	6 $\frac{1}{3}$
Germany ... ..	1·89	1	6 <sup>2</sup>
Holland ... ..	1·81 <sup>3</sup>	4	9 $\frac{1}{4}$
France ... ..	1·55	4	0
United States ...	1·13	5	6
Russia ... ..	1·08 <sup>4</sup>	3	10
United Kingdom	1·01	11	0
Norway ... ..	0·84	5	9

<sup>1</sup> The latest year for which statistics are available.

<sup>2</sup> Approximate.

<sup>3</sup> 1900, the latest year for which statistics are available.

<sup>4</sup> 1898, the latest year for which statistics are available.

## CHAPTER IV.

### Pauperism in Gothenburg.

Mr. Walker writes (p. 30) :—

“The fact which renders statistics of pauperism important is that *the ‘Gothenburg’ System was introduced as a remedy for pauperism*, and not primarily as a cure for drunkenness. It was a reasonable supposition that, if the working classes were spending too much money on drink, it would be a great advantage if the State got the benefit of it and applied it to the amelioration of their lot. Yet when the ‘Bolag’ started in 1866, there were in Gothenburg 68 paupers per 1,000 of the population; in 1870 the numbers rose to 89 per 1,000; in 1875 to 94; and in 1879 to 97. In 1885 it sank to 90. After 1887 it is explained that not only actual paupers were included in the statistics, but also the dependants of all in receipt of relief, and for this reason the figures rose to 100 in 1890 and 120 in 1892. In the United Kingdom there were in 1870 40<sup>1</sup> paupers per 1,000, including all outdoor and indoor paupers and their dependants; the ratio fell in 1896 to 26; in 1899 to 24·4,<sup>2</sup> and in 1901 to 24.”

The statistics given in the above paragraph and in an accompanying chart are altogether wrong. Mr. Walker *has counted the*

<sup>1</sup> The correct figure is 46·5.

<sup>2</sup> The correct figure is 26·5. See the *Thirtieth Annual Report of the Local Government Board*, 1900-1901, p. 360.



*paupers in Gothenburg twice over.* The "Mean Number of Paupers" which appears in the Annual Report of the English Local Government Board<sup>1</sup> is arrived at by adding together the numbers on the first day of July and the following first day of January, and dividing the number thus obtained by two. Of course if the two totals were added together the number would be doubled. *Now this is exactly what Mr. Walker has done in the case of Gothenburg.* Instead of taking the number of paupers upon a given day, or the mean of two separate counts, he has added together the totals of two counts and given the sum of these as the measure of the pauperism of the city. The detailed facts as to the pauperism in Gothenburg for the year 1892 (the last year for which Mr. Walker supplies figures) and for the quinquennial period ending with 1902, may be seen in the following figures, furnished by the superintendent of the Gothenburg workhouse:—

<sup>1</sup> Report for 1901, p. 360.

# PAUPERISM.

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## NUMBER OF PAUPERS IN GOTHENBURG.

	1892.	1898.	1899.	1900.	1901.	1902.
1st January, In-door in town Workhouse .....	1,085	1,186	1,214	1,291	1,272	1,310
1st January, Out-door, permanent	3,183	3,590	3,518	3,445	3,393	3,531
1st January, Out-door, temporary	284	200	163	217	213	244
1st January, Bread to children...	1,023	1,361	1,210	1,063	1,044	1,062
	5,575	6,337	6,105	6,016	5,922	6,147
1st July, In-door in town Workhouse .....	975	1,042	1,011	1,072	1,071	1,076
1st July, Out-door, permanent...	3,171	3,498	3,443	3,399	3,458	3,560
1st July, Out-door, temporary...	146	123	126	134	160	176
1st July, Bread to children .....	375	1,630	1,202	1,115	1,120	1,145
	4,667	6,293	5,782	5,720	5,809	5,957
31st December, In-door, but not in town Workhouse <sup>1</sup> .....	803	914	971	977	981	990
	11,045	13,544	12,858	12,713	12,712	13,094
	Total	Total	Total	Total	Total	Total

<sup>1</sup> The number of In-door paupers who are boarded elsewhere than in the town Workhouse can only be given for the whole year.



The true figures for the pauperism of Gothenburg are to be obtained by taking the mean between the numbers on the 1st January and the 1st July, and adding to this mean number the *whole* (so we are advised) of the paupers who are described as "indoor but not in town workhouse." The corrected figures thus taken for 1892, and also for the last five years, are shown in the following table :—

Year.	Population of Gothenburg.	Paupers.	Number of Paupers per 1,000 of Population.
1892	106,356	5,924	55·70 <sup>1</sup>
1898	120,151	7,229	60·17
1899	122,370	6,914	56·50
1900	125,825	6,845	54·40
1901	128,977	6,846	53·08
1902	130,702	7,042	53·88

Inaccurate as are Mr. Walker's figures, the fact nevertheless remains that the ratio of pauperism to population in Gothenburg is higher than in 1866, his figures for that year,

<sup>1</sup> Mr. Walker gives the pauperism of Gothenburg in 1892 as 120 per 1,000 of the population. Even counting the paupers twice over the figure should be 104, not 120.

as for subsequent years, being incorrect. Mr. Walker assumes that the Company System is responsible for this. "Pauperism," he says, "under its influence has grown more prevalent." This generalisation of Mr. Walker's is, however, as untrustworthy as his figures. Obviously the right course to adopt in seeking an explanation for the growth of pauperism in any particular place is to ascertain whether its experience has been exceptional, or whether a similar increase has been taking place throughout the country. Especially was it necessary for the object in view to ascertain whether the increase in pauperism was to be found in the rural districts of Sweden which are *not under the Company System but under prohibition*. If this decisive test had been applied, the assumption of a connexion between the Company System and the increase of pauperism would at once have been disproved. For, as will be seen in the accompanying table, there has been for a lengthened period in the rural districts, as well as in the towns of Sweden, a great and



progressive increase in the number of paupers, showing that influences making for pauperism have been in operation throughout the whole of the country:—

Year.	Paupers in the <b>Country</b> <b>Districts</b> of Sweden per 1,000 of the Population.	Paupers in the <b>Towns</b> of Sweden per 1,000 of the Population.
1840	27·9	49·0
1845	27·3	50·5
1850	33·7	50·6
1855	38·3	50·2
1860	33·4	42·9
1865	33·3	54·8
1870	46·2	68·0
1875	40·5	66·4
1880	43·9	71·4
1885	43·3	66·7
1890	44·4	76·0
1895	43·4	86·7
1896	42·7	82·4
1897	41·6	77·9
1898	40·7	73·8
1899	40·0	69·2
1900	39·4	68·6

It would have been sufficient, as a refutation of Mr. Walker's contention that pauperism has grown *under the influence* of the Bolag, to bring forward these figures; but as it is a matter of interest to know why the pauperism of Sweden has increased, we submitted the

question to Mr. Ernst Beckman, a member of the Swedish Parliament, who, having consulted the best authorities of the Royal Swedish Central Bureau of Statistics, has replied as follows, under date December 17th, 1902:—

“ I have now consulted some persons who are our best authorities as to the causes of pauperism in Sweden. Their view of the matter corresponds with my own.

“ 1.—The Gothenburg System has nothing whatever to do with the increase of pauperism in Sweden.

“ 2.—The increase between 1865 and 1870 is easily explained. The years just preceding the latter date were what we have termed ‘the hunger years.’ The crops failed in several districts and famine reigned in a great part of Norrland. The hard times caused a very large emigration of comparatively young people, breadwinners, to the United States of America. Old people were as a rule left behind, being



unwilling or unable to leave their homes. Much poverty, which had to be relieved by the rates, was the natural consequence of those fearfully hard times. The manufacture of alcoholic drinks went down from 15,438,647 kannor in 1866 to 10,183,527 kannor in 1868, rising again in 1870 to 15,710,312 kannor, which goes to prove that drink had nothing to do with the increase, at least not more than usual, being always a fruitful cause of misery.

“ 3.—Before 1874 the poor-law statistics are comparatively unreliable. In 1888 a circular requiring more accurate reports was issued. The result (which did not appear until a subsequent year) was an increase of 11,659 ‘paupers,’ chiefly in Stockholm and Gothenburg. Now there is not, I believe, any country where the statistics as to pauperism and relief are, if I

may so express it, as severely detailed as in Sweden. For instance: if school children are given a cup of milk in school in winter and the expense is charged not to the school board but to the poor rates, they are statistically counted 'paupers' (*understödstagare*). Also: if the father of a family of, say, wife and five children, is allowed a measure of firewood, there are immediately seven new 'paupers' in the statistical tables.

"4.—The cause of the increase of the percentage of 'pauperism,' not dependent on greater exactness, but on real increase of the number of persons that fall on the rates, is to be looked for far back in time, as Mr. Gustav Sundbarg, the well-known statistician, has kindly pointed out to me. After the great wars in the beginning of last century, nature busied herself to fill the losses by increased nativity. The persons



born between, say, 1815 and 1820, were already past the age of emigration when the great tide set in towards the latter part of the sixties. The greater part of them stayed in Sweden. The culmen in the percentage of 'pauperism' was reached in 1895. About the same time the number of persons about seventy years—when relief may be needed—was uncommonly large. Statistics show that the surplus of persons aged sixty-five (and more)—above the normal number—has increased immensely, from 20,310 persons in 1880 to 143,985 in 1899, an increase far above what might be expected from the growth of the population.

“ 5.—No doubt—as you suggest—a mistaken system of administration has its share in the pauperism existing in our country. I happen to know that in some of the wealthy Dalecarlian country districts,

where the immense forests belonging to the community give a large income, there are a great many paupers, because the people think that they can well afford to give relief. Whereas in other districts in the same province very poor communities have very few paupers. You will also find in a pamphlet which I send a table showing the very large decrease in Gefle<sup>1</sup> owing to the introduction of the Elberfeld System—another proof that a change from one system to another can materially lessen pauperism.

“6.—You will notice a general decrease in the percentage from 1895, both for towns and for country districts.”

<sup>1</sup> The figures of the pauperism in Gefle (a town which in 1890 had a population of 29,522) are as under:—

	Paupers per 1,000 of the Population.
1895 .....	95·9
1896 .....	95·6
1897 .....	73·8
1898 .....	59·9
1899 .....	50·0
1900 .....	45·6



But if the increased pauperism of Gothenburg cannot be attributed to the Gothenburg System, so neither can the *lessened pauperism of Finland*, a country in which the Gothenburg System prevails. In Finland we are told that "the number of paupers in receipt of relief has decreased in eight years from 110,000 to 68,000, partly owing to reformed poor law administration, but largely owing to economic progress."<sup>1</sup>

The effect of methods of administration upon the volume of pauperism is well known to every student of the subject. It has been strikingly illustrated in the history of our own country. Mr. Nassau W. Senior, in his chapter upon the English Poor Laws,<sup>2</sup> writes:—In England "they [*i.e.*, one section of the community] looked on while poor rates rose from £2,004,239 in 1785 to £6,829,042 in 1830; they looked on while in

<sup>1</sup> *Finland, Its Public and Private Economy* (1902), by N. C. Frederiksen, formerly Professor of Political Economy and Finance in the University of Copenhagen, p. 14.

<sup>2</sup> *Historical and Philosophical Essays*, Vol. II., p. 85.

whole counties the rates equalled a third of the remaining rental—while estates were abandoned, and whole parishes were on the point of being thrown up, without capital or occupier, to the poor.” “We firmly believe,” Mr. Senior says, “that, if the remedy [*i.e.*, the Poor Law Reform Act of 1834] had been delayed, even for a few years, . . . calamities would have fallen on a large portion of England such as no free country, unassailed by a foreign or a domestic enemy, has ever endured.”

The statistics of pauperism at different dates are not conclusive evidence of the growth or diminution of poverty, as is shown in the article on Poor Laws in the recent supplementary volume of the *Encyclopædia Britannica* (Vol. XXXI., p. 835), from which we extract the following:—

“Both in town and country, since 1875, a few Boards have practically discontinued to give outdoor relief—that is, relief to paupers at their own homes. Other Boards have continued to give it lavishly. Between the two extremes almost every variety is to be found. The following



table will illustrate the position. The figures are taken from the summer returns (a period less affected by weather conditions), at a date previous to the change of policy which arose from the above-mentioned discussions of 1869 and from returns for 1899. For this comparison Unions in proximity have been chosen:—

## TWO TOWN UNIONS.

Name of Union.	Date.	Number of Indoor Paupers, less Vagrants and Lunatics.	Number of Outdoor Paupers, less Vagrants and Lunatics.	Total.	Proportion of Paupers to Population at last Census.
					One Pauper to every
Whitechapel (East London) ...	July 1st, 1870	974	3,236	4,210	18
	July 1st, 1899	1,162	26	1,188	62
St. Olave's (South London)	July 1st, 1870	1,320	3,548	4,868	20
	July 1st, 1899	2,278	4,120	6,398	21

## TWO COUNTRY UNIONS.

Name of Union.	Date.	Number of Indoor Paupers, less Vagrants and Lunatics.	Number of Outdoor Paupers, less Vagrants and Lunatics.	Total.	Proportion of Paupers to Population at last Census.
					One Pauper to every
Bradfield (Berks) ...	July 1st, 1870	152	807	959	16
Bradfield (Berks) ...	July 1st, 1899	104	17	121	140
Hungerford (Berks)	July 1st, 1870	109	1,049	1,158	17
Hungerford and Ramsbury (Berks)	July 1st, 1899	61	395	456	39

The table shows that in Bradfield there was in 1870 one pauper to every 16 of the population, but in 1899 one to 140 of the population; that is, pauperism had declined in the thirty years almost in the ratio of from 9 to 1. It need not be said that no corresponding change in the conditions of poverty had taken place in the same time.

Whatever may be the true explanation of the growth of pauperism in Gothenburg, the essential point to note is that since 1866 the general condition of the working classes of the city has improved. Dr. Wieselgren, than whom there is probably no higher authority, writes (10th January, 1903):—"The condition of the working people is better now than at the time the Company System was introduced in Gothenburg. The workmen, their wives and children, are *better housed, fed and clad now than then.*"



## CHAPTER V.

### The Menace to Municipal and Political Life.

IN a former volume<sup>1</sup> the present writers laid emphasis upon the danger to municipal and political life which results from a system of private licence, and pointed out how, so far as the spirit trade is concerned, this danger had been destroyed in Scandinavia. Mr. Walker, in *The Commonwealth as Publican*, seeks to minimise this danger, and suggests that the political influence of the liquor trade is comparatively unimportant. He further contends that the absence of a Trade menace in Scandinavia is due to causes other than the influence of the controlling system. In

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

depreciating the political influence of the liquor trade in this country he says:—

“The best test of the political influence and strength of any faction is the amount of legislation they have succeeded in getting passed in their favour. For instance, agricultural tenants, Scottish crofters, miners, trades unionists, and shop assistants have one after the other got their respective grievances removed. So far as the licensed trade are concerned, they have not one favourable Act in the Statute Book as a trophy of their prowess.”

Mr. Walker overlooks the real “trophy of their prowess.” It consists in the Trade having been able to stave off any considerable measure of reform for a period of thirty years. In 1871 Mr. Bruce, on behalf of the Government of the day, brought forward a comprehensive measure of licensing reform which even then was felt to be urgently needed. That Bill, strongly opposed by the Trade, was withdrawn, and in the years that have intervened since 1872 only Acts of comparatively small importance have been passed, although, to quote from the Majority



Report of the Royal Commission on Liquor Licensing Laws (1899), "it is undeniable that a gigantic evil remains to be remedied, and hardly any sacrifice would be too great which would result in a marked diminution of this national degradation."

The extent to which the liquor trade in this country is organised, and the means by which it makes that organisation effective in political affairs, were fully set forth in *The Temperance Problem and Social Reform*; but, in view of Mr. Walker's extraordinary suggestion, it may be well at this point to repeat some of the evidence.

No secrecy is maintained as to either the aims or methods of the Trade, as will be seen by the following extracts from an article on "Trade Electoral Organisation," which appears in the *Brewers' Almanack* for 1894 (pp. 161-65), signed by the Manager of the National Trade Defence Fund:

"After a period of lamentable inactivity, the Trade realised the necessity of

self-organisation for electoral purposes, and for the past few years has been actively engaged in forming itself into a strong and compact non-political body for the most practical of all objects—self-defence.”

Then, referring to the introduction of the Liquor Traffic (Local Control) Bill in March, 1893, the writer proceeds: “Fortunately for the Trade, this declaration of war did not find them unprepared. Their leaders had seen the necessity for organisation for electoral purposes as distinct from former antiquated combinations for social intercourse and protection as traders. Meetings had been held, funds had been collected, officers had been elected, and a policy framed—nothing was wanted to unite the Trade but an outward and visible foe, who made his appearance in the Chancellor of the Exchequer.”

“The Direct Veto was met by the only answer the Trade could give, a direct No; and the opportunity arrived of putting to



practical test the value of our improved organisation, of which we had had a satisfactory trial at the General Election (of 1892)."

"Organisation is the process of forming instruments of action. When the time for action arrives, those instruments should be ready; the organiser therefore must not remain inactive until that time comes. . . ."

"No amount of 'paper' organisation from a central office will be of any practical use *unless the local instruments are to hand, and prepared to act. . . .*"

"Our one object is to return, by all legitimate means, regardless of politics, to the House of Commons and other administrative bodies, candidates favourable to Trade interests. . . ."

"When the Trade fully realises its political possibilities in a state of efficient organisation, *it will become a power in the State.*"

The entire article powerfully suggests the operations of an elaborate political organisation, directed by qualified leaders,<sup>1</sup> working through the agency of more than 126,000 "on" licensed houses, and supplied with unlimited funds.<sup>2</sup> The significance of the whole is summed up in the passage already quoted. "No amount of 'paper' organisation from a central office will be of any practical use unless the *local instruments* are to hand and prepared to work." The proposition may appear to be self-evident, but its real importance and bearing upon practical legislation has been strangely overlooked. We shall have

<sup>1</sup> The *Licensing World* of July 12, 1895, referring to the General Election Campaign of that year, says: "The Board [of the Licensed Victuallers' Central Protection Society of London] has at its command at this moment a great number of assistants specially skilled in every department of activity now called for, and these men are simply working night and day. The Chairman, Secretary, and the principal members of the Executive—the very cream of the elected leaders of the Trade—are daily, we may say almost hourly, in consultation, directing the work of the vast organisation under their command, and applying the forces of the Trade with what we believe will prove to be unerring skill."

<sup>2</sup> "Mr. Bass told the world that for every pound put down by the Alliance, he and his friends would put down a hundred."—Sir George O. Trevelyan. *Speech delivered at Edinburgh, November 28, 1875.*



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occasion to refer to the point further on. Here it will suffice to show how numerous and effective the "local instruments" are.

The following figures give the total number of premises licensed to sell by retail in the United Kingdom, April 1st, 1901 :—

	England and Wales.	Scotland.	Ireland.	Total.
"On" Licensed Premises ...	101,664	7,411	17,780	126,855
"Off" Licensed Premises ...	21,334	4,132	1,388	26,854
	122,998	11,543	19,168	153,709

In considering these figures, it is to be remembered that each of the "on" licensed houses—to say nothing of the "off" licensed houses—will have its own circle of customers, a certain proportion of whom will unquestionably be influenced by the proprietor. The "local instrument" which the organisers of the Trade

desire is thus ready to their hand in a singularly efficient form. The publican, like all other tradesmen, wishing to sell as much as he can, will energetically resist the candidature of men who would seek to restrict the national consumption. How this vast influence is exercised in Parliamentary elections will be familiar to the reader.

The rival candidates are catechised upon their position in regard to the Trade, and, irrespective of whatever national questions may be at stake, the Trade influence is cast on the side of the candidate whose answers are deemed the most satisfactory. Under these circumstances it was perhaps inevitable that the support of the Trade should eventually be given to one of the great parties in the State. And such has been the case. The *Brewers' Almanack* has, in each yearly issue, a full list of the Members of Parliament, with their attitude



to the Trade indicated by the words "Favourable," "Against," "Doubtful." Turning to the *Almanack* for 1896—the issue next following the General Election of 1895—we find that, of the Conservative and Unionist Members, 388 are marked as "Favourable," 9 as "Against," and 13 as "Doubtful." If Great Britain alone is taken, there is only one Conservative or Unionist Member marked as "Against." The sharpness of the line of cleavage between the two Parliamentary parties upon this question is further shown by the fact that of the Liberal members, 172 are marked as "Against," only 5 as "Favourable," and 2 as "Doubtful."

It would be a serious mistake to conclude from these figures that the entire Conservative party in the constituencies is hostile to licensing reform. Many of its members deplore that the supposed exigencies of party warfare should have ranged their representatives in

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support of the Trade. Not only do many Conservatives give laborious service in personal Temperance effort, but cordially support the far-reaching legislative proposals of the Church of England Temperance Society. The frank recognition of these facts heightens, however, our sense of the menace exercised by the Trade. It has not only been able to impose its demands upon the representatives of a great party, but it has done so notwithstanding the existence within that party of a considerable body of opinion hostile to such demands.

### THE MENACE A CONTINUOUS FACTOR IN POLITICAL LIFE.

Mr. Walker, however, seeks to avoid the weight of this evidence by suggesting that the political power of the Trade has only been seriously exercised in relation to one measure—Sir William Harcourt's Local Veto Bill. "In any case," he says, (p. 41) "this political power



was only exhibited on this one occasion, and does not seem to have been seriously felt either before or since." Those who mix in politics will smile at this suggestion, and it is strange that it should be put forward in the face of overwhelming evidence to the contrary. The organisation of the Trade has, it is true, been perfected only within a comparatively recent period, but its political influence has been exercised against numerous legislative proposals over a long series of years. On July 9th, 1862, Mr. W. E. Forster moved the second reading of a Bill to extend the principle of the Tippling Act to the sale of beer. The Bill contained only one clause, and provided that no debt for wine, beer, cider or perry could be recovered "unless such debt shall have really been and *bona-fide* contracted at one time to the amount of 20s. or upwards."

On July 12th, a Trade journal, *The Morning Advertiser*, published a letter, signed "A Looker On," urging the editor to exert his "powerful influence to prevent the further progress of

this obnoxious measure." In an editorial on the letter, *The Morning Advertiser* said:—

"Unless the Trade meet at once and organize an opposition to it [the Bill], it is just possible that it may creep through the Legislature. It therefore behoves all who will be affected by the Bill to meet without an hour's delay, with the view of checking its further progress. A prompt and energetic opposition will ensure the rejection of the Bill."

The opposition of the Trade was successful; the Bill, which secured a second reading by a small majority, being subsequently withdrawn. Alluding to this victory in an article on the Licensed Victuallers' Protection Society, *The Morning Advertiser* said (July 17th, 1862):—

"We cannot, however, permit the present opportunity to pass without pointing to the fact, in support of our opinion as regards the useful efforts of the Society in stemming the tide of rash legislation, that it has succeeded within the last eight and forty hours in defeating Mr. Forster's Bill relating to the sale of beer, wine, etc. . . . It is true that as regards the Bill in question it may be said that 'the snake is not killed but only scotched,' as we are already threatened with a renewal of the measure . . . in the course of the next session; but although this is so, the rejection



of the measure at the present moment will afford to the parties interested an opportunity of marshalling their forces for future action; and we have no doubt but that the Protection Society, aided by the Country Trade, . . . will be in a position to fight the battle in which they may be engaged, in respect to the particular question under consideration, with energy, and, we have every reason to believe, with success."

The nature of the "energy" which was to be employed to prevent the re-introduction of the Bill was fully disclosed in another article<sup>1</sup> in a Trade journal, in which the Government of the day were denounced for having supported the measure, and the licensed victuallers were called upon to use their influence against them at the next general election. The writer said:—

"Here will come in for useful purposes that division list which we published three weeks ago. In the event of a general election it will be the duty of every licensed victualler when applied to for his vote to extract a pledge from the candidate with regard to legislation on licensed victuallers' matters. This pledge will be readily given when required by such a body at such a time."

<sup>1</sup> Quoted by Sir W. Lawson in the House of Commons, June 8th, 1864.

Sir W. Lawson, after quoting the foregoing added: "this article went on to say that this being the policy of the Government, the licensed victuallers would, as they had done on previous occasions, show that as a body they were, politically speaking, the most powerful in the country. The extract then went on to state that . . . when Lord Palmerston was forced to appeal to the country, then would have come the opportunity of the licensed victuallers of England, in whose hands it would be whether he should be able to retain office or not."<sup>1</sup>

An even more frank acknowledgment of the deliberate interference of the Trade in political elections was made a few years later by Mr. George Caudalet, Parliamentary Agent of the National Licensed Victuallers' Defence League, in a letter which he wrote to *The Times* on April 17th, 1880, explaining the reasons which led the Trade to abstain from actively opposing Liberal candidates at the

<sup>1</sup> *Hansard*, 3 Series, Vol. 175, p. 1392.



general election in that year. The letter needs no comment:—

“To the Editor of *The Times*.

“Sir,

“Perhaps you will be good enough to allow me a portion of your space to make a few passing explanatory and suggestive remarks on the action of the Trade during the recent elections, as various reports are afloat relating to the course pursued in 1880 compared with 1874.

“Shortly before the recent dissolution a letter was addressed to me by the Right Hon. E. Knatchbull-Hugessen, M.P., who, no matter whether in or out of office, has always been disposed to advocate justice being dealt out to us fairly. This letter earnestly advised the Licensed Victuallers generally to avoid a Trade combination against Liberal candidates and to vote according to their political convictions.

“This document, I need scarcely say, was considerately received, as advice from a friend. The reasoning of the right hon. gentleman, it is only right to say, was clear and intelligible, and was widely circulated among many constituencies, and, from my own personal knowledge, was accepted and acted upon, with few exceptions, to the advantage of the Liberal candidates.

“We are therefore in hope generally the Liberal party will, during their coming term of power, avoid extreme and hostile legislation of

such a character as that which was resorted to prior to 1874. If an attitude of moderation is manifested by the new Government towards the Trade, I venture to hope the day is not far distant when the rule of acting at future elections in a combined form will become exceptional. The rash and violent attacks which have hitherto been made upon this Trade have, from my long experience, caused the Trade at past elections to do that from necessity which was not a matter of choice, considering the interests involved. I therefore venture to hope that the moderation which Mr. Hugessen has successfully encouraged may be strengthened, so that the Licensed Victuallers and Beersellers may learn to feel that they have friends on both sides of the House of Commons.

“Yours faithfully,

(Signed) “GEORGE CAUDELET, Par. Agent,  
“National L. V. Defence League.”

In 1894 Mr. Fowler introduced his Local Government Act, and a determined attempt was at once made by the Licensed Victuallers' organisations to capture the newly-created parish councils in the interests of the Trade. At the half-yearly meeting of the Council of the Licensed Victuallers' Defence League at Burton-on-Trent, it was decided that



“A circular should be sent to the various associations throughout the country urging them to call meetings at an early date to discuss the important question and to select candidates for election.”<sup>1</sup> On June 30th of the same year, an article, entitled “The Local Government Act, 1894, as it affects the Licensed Trade,” written by the agent of the National Trade Defence Fund, appeared in the official organ of that Fund. Herein it was said that “to traders in the country districts—and to those especially do my remarks apply—the Act opens up an area of influence the importance of which cannot be over-estimated, and as to the duty of the trader, he should take an active interest in securing registration of all trade voters in his parish, whether as freeholders, lessees, lessors, tenants, coachmen, barmen, other employees or lodgers. He should ascertain (as soon as it is settled) the number of parish councillors allotted to the parish, and

<sup>1</sup> *Fiery Cross*, December, 1894.

then arrange (if there is no retail society in his district) for a meeting of his fellow-traders for the purpose of ensuring the proper representation of the Trade on both district and parish councils. Where there is a retail society, such should meet without delay and arrange for the selection of *Trade candidates* in *every parish* in the area over which the society has influence.

“*One trader on a parish or district council is worth a dozen off.* He is ‘in the know’; his opponents occasionally want favours, and these can be given on terms. Duty to oneself; duty to the largest ratepayers; duty to the great Trade itself, constrains its members to take their lot and share in this matter, and if done systematically throughout, and universally, must result in untold advantages, moral, financial and political, to the licensed trade of the country.”<sup>1</sup>

*The Morning Advertiser*, the London daily organ of the Trade, recommended “*all country*

<sup>1</sup> *Ibid.*



*licence holders* to look well after these new Parish Councils. . . . The Parish Councils should afford them [*i.e.*, licensed victuallers], or some of them, an opportunity of increasing their influence and strengthening and completing their organisation. The thing is that licensed victuallers should be persuaded that activity in parochial and municipal affairs is of no less importance—is perhaps of more importance—to them, than activity in party concerns.”<sup>1</sup>

Finally, to show how consistently the Trade adheres to its own principle of “Our Trade our Politics,” we may quote from the report of a recent general meeting of the members of the Manchester, Salford and Districts Beer and Wine Trades Defence Association, which appeared in *The Licensing World* of June 28th, 1902. The President (Mr. W. Hartley), in moving the adoption of the minutes, stated that “he was afraid that at the present important crisis the

<sup>1</sup> *Ibid.*

Trade did not realise in a sufficiently general manner the extreme danger that surrounded it. With a long and varied experience, he could not remember a period when its position was so critical. A responsible Government, with a large majority behind it, had introduced a licensing Bill that bristled with difficulties for retail licence holders, *and this from a Government they had been very largely instrumental in returning to power*, and from whom they had a right to expect, if not liberal treatment, at least fair consideration."

In the face of evidence so explicit and detailed as the foregoing, which, moreover, could be multiplied almost indefinitely, it is difficult to understand the suggestion that the political influence of the Trade has been exercised in relation to one measure only.

#### A NEW DEVELOPMENT IN TRADE ORGANISATION.

Recent developments in the political organisation of the Trade have greatly aggravated the menace which it offers to the social and



political life of the country. In discussing this menace in the second chapter of *The Temperance Problem and Social Reform*, we directed attention to the wide extension of the Limited Liability system, under which large numbers of people *have become partners with the Trade to this extent, that they are financially interested in its prosperity and continuance.* It is true that the "ordinary" shares of brewery companies are frequently not offered to the public, but the preference shareholder will desire that his shares shall retain their value, and that his dividends shall be regularly paid. Many brewery companies are, however, so highly capitalised that if the national consumption of beer were reduced to a point which social reformers of all schools would regard as wise, the value of the stock would be most seriously affected. The holder of brewery shares has therefore an obvious interest in opposing social or legislative effort which aims at a reduction of the national drink consumption.

Mr. Walker suggests that :—" Perhaps the authors [of *The Temperance Problem and Social Reform*] exaggerate both the influence and the dangers likely to spring from " the political power exercised by the Trade. " We have never," he says, " so far, either heard or seen that these companies have made direct use of this influence. We question even if it would be to their interest to mix in party politics."

Mr. Walker has ignored the evidence that we gave on this point.<sup>1</sup> We need not repeat it here, but we invite attention to explicit evidence of very recent date, which shows that the brewery companies are seeking to increase the political power of the Trade by organising the share and debenture holders into an association which is to be an ally of the National Trade Defence Association, and to work alongside of it. The idea seems to have originated in the Midlands. The

<sup>1</sup> *The Temperance Problem and Social Reform*, pp. 90-92.



following notice of it appeared in *The Brewers' Journal* of August 15th, 1902:—

“A BREWERY SHAREHOLDERS' LEAGUE.

“At a recent meeting of the Executive Committee of the National Trade Defence Association, held at 5, Victoria Street, London, S.W., the following resolution was proposed by the Chairman, Mr. E. N. Buxton, seconded by Mr. Levi Johnson, and carried unanimously:—  
‘That this Committee hears with satisfaction that the Midland Counties District has taken steps to revive a Share and Debenture Holders' Association, in conjunction with the District Organisation of the National Trade Defence Association, and expresses the hope that the new Association will be successful and that it may be extended to other districts at an early date.’ ”

The growth of this movement is made apparent by the following extracts from an article by Mr. T. Jeffery Vince, entitled “The National Brewery Shareholders' Association,” which appeared in *The Brewers' Journal* of September 15th, 1902:—

“In the spring of the present year one of the directors of a large brewery in the Midlands remarked, at the annual meeting of his company, that, in his opinion, the time

was now ripe for a combination of persons interested in the trade as shareholders in brewing companies, and that such an organisation might prove itself a highly valuable auxiliary to existing associations for the defence of this much-threatened industry."

The writer of this article points out that:—

"The existing associations for trade defence carry on their operations mainly among those who, being themselves actively engaged as brewers or licence-holders in what our teetotal friends call the 'liquor traffic,' may be expected to understand more readily and with less instruction than the general public the bearing of any legislative projects upon their interests. Outside these valuable organisations lies, unorganised, undisciplined, uninformed, a great army of shareholders, who are not so well acquainted with the conduct of the brewing industry, and yet have no unimportant interest in any legislation that may be proposed for the further restriction of the trade in which they have invested their savings. The new Association proposes to attempt the organisation of this army, *numerous enough as it is to constitute, with due guidance, a powerful political force*; to circulate among its members by means of a monthly gazette such political, Parliamentary, and financial information as they should be interested to receive; to provide machinery for



rapidly obtaining signatures to petitions to Parliament in any sudden political emergency; and, at bye-elections especially, to invite its members to join the licensed trade in watching and dealing with the pledges exacted from Parliamentary candidates. *The political influence of the Association will lie in the fact, which I desire to emphasize, that it is not an offshoot or adjunct of the National Trade Defence, but an ally working alongside. . . .*

"The temptation to Members of Parliament to support the minor proposals of temperance reformers is really a very strong one. Every candidate, after refusing to vote for local option, is accustomed to add, amid renewed applause, that he is not averse to moderate and reasonable temperance reform; and nobody can take exception to this laudable generality. It is, therefore, gratifying if, at the end of any Session, he is able to point proudly to some vote he has given as evidence that he is in earnest. In most constituencies the zealous and acrimonious teetotallers outnumber the electors who are actively engaged in the trade. *But if the shareholders were organised and instructed there would be a body of opinion and voting strength which no candidate could afford to despise. It has indeed been calculated that the average number of holders of brewery shares in a Parliamentary division exceeds the average plurality of votes at a contested election . . .*"<sup>1</sup>

<sup>1</sup> The article concludes as follows:—

"The directors of the following companies have already showed practical interest in the movement by sending donations to the organisation fund:—Messrs. Bass, Ratcliff and Gretton, Limited, Burton; Ind, Coope & Co., Limited,



THE MENACE IN THE UNITED STATES.

The political influence of the Liquor Trade is not, however, confined to this country. It exists in a dangerous form in the United States, both in the Prohibition States and in those under High Licence. In the former, the chances of destroying a Prohibition *régime* are so great that extraordinary efforts are put forth to prevent the re-election of a sheriff who has sought to enforce the law.

“The liquor traffic, being very profitable, has been able, when attacked by prohibitory

Burton and Romford; Peter Walker & Sons, Limited, Warrington and Burton; Warwicks & Richardsons, Limited, Newark-on-Trent; M. B. Foster & Sons, Limited, London; Bristol Brewery (Georges & Co.), Limited, Bristol; Ashby's Brewery, Limited, Staines; Mew (W. B.), Langton and Co., Limited, Isle of Wight; Walker & Sons, Limited, Gravesend; Yates's Castle Brewery, Limited, Manchester; J. Sharman & Sons, Limited, Bolton; Buckley's Brewery, Limited, Llanelly; Hull Brewery Company, Limited, Hull; Tamplin & Sons, Limited, Brighton; Braime's Tadcaster Breweries, Limited, Leeds; Farnham United Breweries, Limited, Farnham; Daniell & Sons' Breweries, Limited, Colchester; Joule & Sons, Limited, Stone; Maryport Brewery, Limited, Maryport; Stretton's Derby Brewery, Limited, Derby; and Forest Hill Brewery Company, Limited, London, S.E.

“Many other firms have promised financial support. In due course the committee will proceed to canvass individually the shareholders, whose personal adherence will constitute the real strength of the Association. A scheme by which the country will be divided into districts, each with a local secretary and a local committee, is in preparation.”



legislation, to pay fines, bribes, hush money, and assessments for political purposes to large amounts. This money has tended to corrupt the lower courts, the police administration, political organisations, and even the electorate itself. Wherever the voting force of the liquor traffic and its allies is considerable, candidates for office and office-holders are tempted to serve a dangerous trade interest, which is often in antagonism to the public interest. Frequent yielding to this temptation causes general degeneration in public life, breeds contempt for the public service, and, of course, makes the service less desirable for upright men.”<sup>1</sup>

Under High Licence, whether in New York, Chicago, Philadelphia, or elsewhere, the liquor saloon is the powerful instrument of political corruption.

A writer in *The Atlantic Monthly*<sup>2</sup> says: “To think of political reform with the

<sup>1</sup> *The Liquor Problem in its Legislative Aspects.* By the “Committee of Fifty.”

<sup>2</sup> G. F. Parsons, *The Saloon in Politics.*

influence of the saloon in politics what it is seems almost fatuous. To discuss the subject of political reform without taking this weighty factor into consideration seems almost puerile. To belittle the importance of the saloon is most dangerous. To essay compromise with it is a fatal mistake. In the nature of the case it must be eliminated, or it must dominate everything. Full freedom having been accorded it thus far, it has made a long stride toward dominion. Even among those who clearly recognise the perils of the situation, it has become an axiomatic statement that it is useless to oppose the saloon in the cities."

#### ELIMINATION OF THE MENACE IN SCANDINAVIA.

When, however, we turn to Scandinavia, an altogether different condition of things is found. Dr. E. R. L. Gould, the Special Commissioner of the United States Labour Department, writes :—

"A conspicuous merit is the complete divorcing of the liquor traffic from politics.



In these countries the elimination of the liquor element as a political power is complete." And again: "In Norway every vestige and semblance of political influence is eliminated. Indeed, to my mind, this absolute separation which has been practically effected between liquor and politics is a conspicuous merit."

Similar evidence is given by Mr. John Koren, the Commissioner appointed by the State Legislature of Massachusetts to inquire upon the spot into the working of the Gothenburg System. In summing up the advantages to be derived from the Company System as "exemplified by the manner of its application in Norway," he says: "Drink-selling will be divorced from politics, [it] can no longer serve as an instrument of corruption, and one of the greatest obstacles to all social reform may thus be overcome."<sup>1</sup>

The evidence of Mr. Lars O. Jensen, Right Worthy Grand Templar for Norway,

<sup>1</sup> Report on the Norwegian System, furnished to the Commonwealth of Massachusetts by Mr. John Koren, p. 166.

is to the same effect. Speaking at the International Alcoholic Congress at the Hague, in 1893, Mr. Jensen said: "It [the Samlag System] hinders the formation of an organised liquor party; because the money derived from the traffic is used for charitable institutions and for the public benefit, and does not go to the liquor-dealers."

Mr. M. G. Blomquist, of Stockholm, addressing the same Congress, gave similar testimony. Alluding to Sunday closing and the shortening of hours of sale, he said:—"But these legislative reforms have been possible by the introduction of the Gothenburg System in Sweden, *because the publicans no longer have the slightest influence in the political life of Sweden.*"<sup>1</sup>

<sup>1</sup> These statements must be received with one important qualification. As will be shown later on, it is the *spirit* traffic that has been divorced from politics, not the traffic in *beer*. The distiller has no "local instruments" through whom to work, but the brewer has thousands of such "instruments." Therefore, whilst the political power of the distiller is a thing of the past, that of the brewer remains intact. One is continually reminded of this when travelling in Scandinavia. The necessity of bringing beer under company control is admitted on all hands; but when inquiry is made whether legislation in this direction is likely to be passed, one is told that the brewers are very wealthy and very powerful, and the change can only come after a fierce struggle.



It seems impossible to misread the significance of these facts. In Great Britain and Ireland the influence of the Trade is primarily exerted through the holders of "on" licences, who are "local instruments" of singular efficiency. Deprived of these "local instruments," the brewers and distillers would lose most of their electoral force—they would be in a position analogous to that of a Parliamentary candidate without a body of active workers. The legitimate influence of the Trade through public meetings and the press would remain, but that which makes it so portentous and threatening a power in the State would have ceased to exist.

Mr. Chamberlain was one of the first to see this. Addressing the House of Commons on March 13, 1877, in support of his Resolution for the municipalisation of the retail drink trade, he pointed out that "Success would at least exclude from our political life the baleful influence of a gigantic vested interest, whose tyranny and whose insolence must be

as repugnant to those who could profit by it as it was to those who were suffering from its opposition."

The same view is expressed in Lord Peel's Report, where it is stated that "The elimination of private profits could not fail to be of public benefit, both directly and by diminishing the obstacles to temperance reform. The evils of the tied-house system would vanish, and with it much of the disturbing influence of the drink question in local politics."<sup>2</sup>

Under the Company System there are no "local instruments." The managers of the Company's shops are not dependent upon any

<sup>1</sup> *Hansard*, Vol. 232, pp. 1872-3.

<sup>2</sup> *Minority Report of the Royal Commission on Liquor Licensing Laws*, p. 279. The testimony of influential leaders of the Temperance movement in this country is equally explicit. Mr. T. P. Whittaker, M.P., in the Memorandum which he published as an Addendum to the Minority Report of the Royal Commission on Liquor Licensing Laws, stated (p. 325) that "The disappearance of the publican as an element in municipal and Imperial politics, which works solely in the interest of its own personal ends—ends which can only be achieved at the cost of the degradation of the people—would be an enormous gain to the purity, independence and efficiency of public life, and would very greatly facilitate the more stringent and effective limitation of the sale of drink by the people in their respective localities."



brewer, nor are their interests at all bound up with the Trade. The interest of a bar manager, both in Sweden and in Norway, is to stand well with his committee; and if a manager ever did attempt to influence an elector, he would run the risk of immediate dismissal.

#### THE STRUGGLE WITH THE DISTILLERS IN SWEDEN.

What then is the reply that Mr. Walker gives to evidence so clear and decisive as that which has now been adduced as to the divorce between the spirit trade and politics in Scandinavia? He attempts to meet the point thus:—

“To secure a divorce, we must first have an alliance. Yet from end to end of their (Messrs. Rowntree and Sherwell’s) valuable work we do not find a single example of the traffic being connected with politics in Norway and Sweden; and, although in some of the less well-informed works such statements have been made, little or no evidence has been given in support of it. In neither Norway nor Sweden has there ever been that keen interest in party politics so characteristic of the Anglo-Saxon race.”

It is true that in *The Temperance Problem and Social Reform* we did not give any illustration of the alliance which formerly existed between politics and the liquor traffic in Scandinavia, for the reason that no illustration appeared to be necessary. The fierce national campaign extending over fifteen years, from 1870 to 1885, in which the Swedish distillers, led by the "brandy king," Lars Olssen Smith, sought to bring about the repeal of clauses which embodied some of the most important principles of the epoch-making law of 1855, excited widespread attention and is matter of history. A sketch of this great struggle, with its varied and dramatic incidents (abbreviated from the writings of Dr. Sigfrid Wieselgren), is given in that quarry of information which no student of the Company System can afford to neglect—Dr. E. R. L. Gould's *Report on the Gothenburg System of Liquor Traffic*, prepared under the direction of the Government of Washington, and presented in 1893. A more detailed



account is to be found in a series of five articles contributed to *The Temperance Record* by Dr. Wieselgren, in February and March, 1886.

The rise of the menace in Sweden, the date of its appearance, and the circumstances which called it into existence can be clearly seen.

In 1829, distillation was *de facto* free in Sweden. The population in that year was about 2,850,000, and the number of stills paying licence fees was 173,124. This would give one still to every three or four families. Under these conditions there could be no political menace exercised by the Trade, as the consumers of spirits were so largely its manufacturers.

The legislation of 1855, however, transformed the home distillation of spirits into a strictly controlled manufacture, and placed its sale for both "on" and "off" consumption under the restriction of a special law. With the suppression of home distillation, the licensed

houses became the sole channels through which the national demand for spirits could be met. Those interested in the liquor traffic who acquired these licences rapidly grew in wealth and political power, so that in 1870, when "the fifteen years' life and death struggle commenced," the Trade had become a potent political force. The distiller and the publican were in close association, as the latter was very often financed by the former.<sup>1</sup>

The sale at this time was centred in the towns,<sup>2</sup> but now this sale was threatened by the formation of controlling companies. If these were allowed to become firmly established, the distillers felt that their trade would seriously suffer. So far, Stockholm had not adopted the system,<sup>3</sup> and of the six largest towns of Sweden, only Gothenburg

<sup>1</sup> Letter from Dr. Wieselgren to the present writers.

<sup>2</sup> It will be remembered that under the operation of the Act of January, 1855, most of the public-houses in the rural districts had been closed.

<sup>3</sup> Stockholm did not adopt the controlling system till 1877.



had as yet established a controlling company. Before it was too late then this system must be crushed.

The struggle for this end was conducted under the leadership of Lars Olssen Smith with extraordinary vigour and tactical resource. To the agricultural interest he said in effect, " You are not fairly dealt with. The towns benefit at your expense. They receive too large a share of the fees for both the ' on ' and ' off ' licences considering that much custom comes to them from the adjoining country districts. Moreover, the towns which have adopted this new Gothenburg System make a great profit upon the sale of spirits, and almost all these profits are retained by the towns. This injustice should be remedied, and it can best be done by *abolishing the licence fees altogether*, making a corresponding increase in the excise duty levied by the State upon the manufacture of spirits. With this increased revenue it will be possible to abolish the land taxes which press upon the agricultural

districts." This argument appeared so reasonable and appealed to such powerful interests that it received great support. The real object of the policy thus advocated by Olssen Smith is not at once apparent to the English reader, nor does he immediately see why the chief point at issue had from the first been that of the proposed combination of the taxes. Its inner meaning is to be found in the proposal to abolish the licence fees. If the licence fees were abolished, it was believed that the sale of spirits would become free, subject only to the approval of the seller by the authorities. This free sale would not only destroy the controlling companies but it would lead to greatly increased trade. Nor did Olssen Smith make his appeal to the agricultural interest only. To the artizan classes he held out the bait that the destruction of the controlling companies would result in cheap brandy. He even sought, and to some extent obtained, the support of Temperance societies,



by representing to them that the Bolags were mere money-making schemes.

At times the issue of this conflict appeared to hang in the balance, and up to 1883 or 1884, Olssen Smith seems to have anticipated success. Speaking of the Gothenburg System in one of the late years of the struggle, he is reported to have said, "Next year we hope to have it abolished all over Sweden." That this did not happen, and that the essential principles of the law of 1855 were maintained, was owing largely to the firmness of her King (Oscar II.). The Diet of 1877 had asked the Government to frame a new liquor law, but the King and the Minister of Finance delayed doing so until the agitation led by the "brandy king" against the law of 1855 had almost spent itself. On February 25th, 1885, however, the Prime Minister laid the Bill before the King at a cabinet meeting. The Prime Minister gave it as his decided opinion that the principles on which the existing law was founded had so

completely gained the confidence of the Swedish people, and proved themselves so efficient in promoting their welfare, that it would by no means be advisable to abandon them.

The new Bill contained a series of excellent provisions in the interests of Temperance. Referring to the controlling companies, the Prime Minister said: "I am convinced that those companies, if properly administered, will prove the most effectual means of promoting order in the brandy traffic, and it is only by their means that the trade can be carried on in such a manner as not to encourage an increased consumption of spirits. It stands to reason that when a private individual engages in the brandy trade, as well as in any other, his interests will induce him to sell as much as he can; whereas the companies, if they properly fulfil their mission—and happily our country can boast of many such—need never be influenced by selfish motives. Therefore the law ought to



be framed so as to offer a decided encouragement to the system of controlling companies."

The Cabinet accepted the proposal of the Minister, and it was sanctioned by the King. The propositions were then submitted to the Diet, and, with some modifications, one of which referred to the proposed distribution of the brandy revenue, were adopted. Nothing more was heard of the virulent attacks on the Gothenburg System. Without one dissenting voice the Diet accepted the Government proposition, by which a decided encouragement of the system of controlling companies was introduced into the Act, which at the same time widened the sphere of the companies' activity.<sup>1</sup> Thus, with almost dramatic suddenness, the baneful political power of the distiller passed from the national life of Sweden. The shops for retail sale, which in other countries are the real centres of trade

<sup>1</sup> Dr. E. R. L. Gould. *Report on the Gothenburg System of Liquor Traffic.*

influence and the instruments through which the electorate can be powerfully worked upon, were no longer in private hands. The hopelessness of further struggle was recognised, and from 1885 to the present time *the political power of the distiller has been practically non-existent in Sweden.*

#### THE POWER OF THE BREWERS.

It remains, however, to be pointed out that, although the political power of the *distiller* is, in Scandinavia, a thing of the past, the power of the *brewer* remains intact. In support of this latter statement the following information, contained in a letter from Dr. Sigfrid Wieselgren to the present writers, dated August 21st, 1902, may be given :—

“As for the connexion of brewers with politics I need only refer to the fact that the Government has appointed two committees on the taxation of beer, without the investigations and proposals of the



committees leading to any results. A third committee has been appointed this year, I wonder with what results? The first committee, of which I was a member, had its conferences in 1881. Thus, during twenty-one years the brewing interest has succeeded in preventing the taxation of malt liquors, which temperance reformers regard as being of great importance, especially from the point of view of the stricter control on the sale of these drinks which would be made possible in this way."

Dr. Wieselgren informs us that at his suggestion a conference of organised Temperance workers was held this year, which, *inter alia*, unanimously passed a resolution in favour of placing malt liquors under the restrictions of the Gothenburg System. Dr. Wieselgren adds that, as president of the conference, he handed over the resolutions of the conference to the Minister of Finance, "and soon after, the third committee, above referred to, was appointed. . . . A new Cabinet has since

been formed, and we do not yet know whether the present Government is in favour of our opinions, or whether the power of 'the brewers' union' shall again become predominant. Owing to their good connexions with politicians both in the press and the Diet, the representatives of the brewing industry have hitherto proved to be very hard adversaries. They do all they can to prevent the bringing of beer under Company control. In the election now going on their influence can be clearly traced."

In Norway the conditions are closely similar. Referring to the present state of things in that country, Mr. Berner, of Christiania, writes us (30th April, 1902):

"I regret to say that the efforts of the Temperance men to have the law of 1894 extended to all intoxicating drinks (beer and wine) have not as yet succeeded. The brewers, in fact, own most of the houses in which the beer and wine licences are exercised, or they lend the licensed



shop-holders the necessary capital with which to exercise their trade ; so far, many are interested in raising opposition to the extension of the law to beer and wine."

Mr. Sven Aarrestad, the leader of the Temperance party in the Norwegian Storting and in the country, refers in the following terms to the aggressive action and growing power of the brewers :—<sup>1</sup>

"As to beer, monopolising must present itself as desirable. It appears that the breweries more and more gather within their sweep, and get under their control, both hotels, inns, and restaurants, and all kinds of places of public entertainment, in order to have the greatest possible power over all the channels through which beer can flow to the public. In the greater towns, especially, it has come to this, that the breweries stand behind most of the businesses where beer is sold or drunk. The nominal owner is only a man of straw acting

<sup>1</sup> *Minority Report of the Committee of Revision*, drawn up by Mr. Aarrestad, and bearing date March 1st, 1898.

for the brewery. The brewery furnishes the premises, pays the rent, and supplies the necessary capital to start the business—if the man of straw can only get the licence. As to the rural districts, it is not a rare case that breweries in the towns are the real owners of tourist hotels, sanatoria, and such places, for which licences are asked. The breweries are businesses with very great capital, and as there are comparatively few of them, they can easily form a 'ring,' and there is already such a combination. How this 'ring' might act in certain contingencies is clear from various indications—among others, from a statement which has not been contradicted, that all the breweries have agreed not to furnish beer to the Samlags as cheaply as to private dealers, and this of course in order, if possible, to prevent the sale of beer being monopolised by the Samlags."

The point which it is here important to observe is that this aggressive action of the



brewers, as also their political power, would be practically destroyed if the whole of the retail sale of beer throughout the country were placed under Company control. The political power of the distiller has in Norway, as in Sweden, been eliminated by placing the whole of the retail sale of spirits under Company control, and a corresponding result would follow in the case of the brewers if the sale of beer were similarly treated. The establishment of a few beer Samlags here and there is ineffectual towards this end.

#### THE POWER OF THE BREWERY SHAREHOLDER.

It has, however, been urged that, while the Company System, by eliminating the private publican, would necessarily bring the political influence of the public-house to an end, it would leave the influence of the share and debenture holder in unabated strength. This view is, however, based upon an inadequate conception of the altered conditions that would obtain were the Company System

once firmly established in this country. The establishment of the Company System (as distinguished from the various private Trust Companies which are so rapidly springing up in all parts of the United Kingdom) pre-supposes that the question of compensation has been finally disposed of. The other questions upon which the Trade now take a great interest are restrictive measures dealing with the reduction of the number of public-houses, the hours of closing, the age at which young persons shall be served, etc. All these questions, however, would, under the system of public management advocated in this volume, cease to be matters of Imperial legislation; for, subject to certain limitations laid down by Parliament, localities would, as in Norway and Sweden, determine these questions for themselves. The struggle between the Trade and the nation would therefore shrink into narrow compass.<sup>1</sup>

<sup>1</sup> If the question of Local Veto were before a locality, the influence of the share and debenture holders would no doubt be felt. The withdrawal of the publican opposition would, however, altogether alter the conditions under which such a vote would be taken.



NOTE.—The Dispensary System of South Carolina has little in common with the Gothenburg System, except that in both the liquor trade is taken out of private hands. The Dispensary System is, however, of special interest in the present connexion as showing that, even under a system defective in many ways, the political power of the Trade is practically destroyed when private profit is dissociated from the sale of drink. Full evidence on this point is given in the Appendix.<sup>1</sup>

<sup>1</sup> See p. 259.

## CHAPTER VI.

### The Pushing of Sales.

A COMMITTEE whose investigations led to the formation of the Gothenburg Company, said in their Report:—

“Neither local enactments nor police surveillance can do much so long as public-houses are in the hands of private individuals, who find their profit in encouraging intemperance, without regard for age or youth, rich or poor.”

Some recent writers, including Mr. Walker, argue, however, that the elimination of private profit from the sale of drink can have little effect, because the publican must necessarily supply his customers with the article they want; if they ask for beer, it is useless to press aërated waters.



But in discussing the matter it is necessary clearly to understand what is meant by the phrase "Pushing of Sales." If, indeed, the phrase be restricted to the direct influence which can be exercised by the bar-tender upon his customers in inducing them to take some other article than that for which they ask, it may be conceded at once that the effect of such "pushing" must be small. The present writers, in an earlier volume,<sup>1</sup> laid emphasis upon this point.

But the phrase as ordinarily used carries a much wider meaning. It refers to the effort made by those engaged in the trade—*principals as well as subordinates*—to stimulate sales. As *The Times*, in discussing the tied-house system, long ago pointed out,<sup>2</sup> "The natural tendency of a brewer is simply to push the sale of his beer. Provided no forfeiture of licence be incurred, the especial manner in which the business is conducted does not

<sup>1</sup> *British Gothenburg Experiments and Public-House Trusts*. See pp. 23, 31, 36, 60, 79.

<sup>2</sup> 1891.

matter much to him. His main desire is that the neighbourhood should drink as much as possible."

A few specific instances may be given from our own country and from abroad to illustrate how the trade is pushed under the stimulus of private gain.

In the Report of the Sub-Committee of the Glasgow Magistrates which recently visited Liverpool to inquire into the administration of the Licensing Acts in that city, it is stated that the following are among the grounds on which the Head Constable objects to the re-licensing of a house:—

"That the house is the resort of improper persons.

"That undesirable inducements are offered to customers.

"That sailors' advance notes are taken in payment for drink.

"That they hold customers' money and let them have drink until it is exhausted.



“Free drinks are given to induce custom.

“Drink on credit.

“That they have sold drink during prohibited hours.”

It is not likely that the Head Constable would have enumerated these abuses unless they had existed, and the reason of their existence is obvious. It was to increase or “push” sales. These abuses owe their existence to the stimulus of private gain, and would not have been found in connexion with a Gothenburg Company.

Two other illustrations may be taken from Liverpool. In the interesting pamphlet entitled “Licensing Administration in Liverpool. Summary of Reforms (1889—1898),”<sup>1</sup> compiled by the Liverpool Vigilance Committee, the following paragraph occurs on page 5:—

“MUSIC, SINGING, AND DANCING LICENCES.  
—Among the many questions to which the attention of the Justices has been directed in

<sup>1</sup> The Licensing Laws Information Bureau, 46, Bridlesmith Gate, Nottingham.

recent years has been that of the undesirability of continuing to allow licences of this nature to be granted to public-houses. As a result of the action of the Bench these licences, which numbered 238 in 1890," have since been reduced to 38.

Why were these 238 licences taken out in 1890? Manifestly in order that the music, singing and dancing might draw people to the public-house. The object was to stimulate sales.

In the same Report, under the heading "Back Doors," it is stated that "the agitation against these semi-secret entrances was actively commenced in 1890," and that by the year 1898 the justices had effected the total closing, for trade purposes, of about 377 back doors. Semi-secret entrances are not to be found in houses under Gothenburg control. The object of such entrances is to facilitate the use of the public-house by persons who would not care to enter by the ordinary door; in other words, the object of



these semi-secret entrances is to increase sales.

Birmingham has lately been greatly stirred upon the question of "air-gun shooting clubs," of which a large number had been established in connexion with public-houses with a view of adding to their attractiveness. Early in February the magistrates passed a resolution: "That the justices view with disfavour the establishment of air-gun shooting clubs at licensed premises, and hope that any such clubs now in existence will be at once discontinued." As the Birmingham magistrates are accustomed to give practical effect to their recommendations, this resolution excited strong feeling, and a crowded meeting to protest against it was held in the Town Hall on March 2nd, 1903.<sup>1</sup>

At a subsequent magisterial discussion of the question, Mr. Arthur Chamberlain,

<sup>1</sup> Mr. Arthur Chamberlain, at the meeting of the magistrates, said "He took it that those meetings were . . . arranged by the Trade and engineered by the Trade for Trade purposes." It points, however, to the attractiveness of these clubs that the Trade were able to fill the Birmingham Town Hall with a meeting to protest against the resolution of the magistrates. The resolution has since been virtually withdrawn.

defending the resolution, said: "Air-gun clubs were innocent amusements in themselves, and the magistrates had said nothing against them. What they had said they objected to was their connexion with public-houses. They certainly led to drinking. . . . They were an additional attraction to the public-house. They turned a non-frequenter into a frequenter of public-houses." He added: "There were formerly 203 of these gun clubs in connexion with public-houses, and since the magistrates' pronouncement they had been reduced to 163."<sup>1</sup> It was pointed out that these air-gun clubs were a great attraction to young men. Unquestionably the object of these clubs was to attract customers and so increase sales.

A few licensed houses, for the sake of pushing sales, tolerate abuses more serious than those hitherto mentioned. In the Criminal Statistics for England and Wales, 1901, there is a table (pp. 106-109) showing the number of public-houses and beer shops

<sup>1</sup> *Birmingham Daily Post*, March 6th, 1903.



frequented by thieves in the counties and boroughs of England and Wales. The total number of houses so frequented is 360, namely, 218 public-houses and 142 beer shops. Now, if the criminal clientèle of these houses is such that it can be tabulated by the police, the publican cannot be ignorant of the character of his customers. Why then does he permit abuses which carry the risk of a loss of licence? Manifestly because he gains by every glass of liquor which he sells.

These illustrations indicate the variety of methods adopted for stimulating sales, as well as the extreme lengths to which in some cases the pushing of sales is carried. The efforts in this direction which are made within the limits of the law are so well known that two further illustrations of very recent date will suffice. At the annual meeting of the shareholders in Olivers Ltd., wine and spirit merchants, Bristol, the chairman, Mr. J. W. G. Dix, said:—"One unsatisfactory

feature they had to deal with was the increased competition which they had to encounter, and that was serious. *The directors had endeavoured to make the retail bars more attractive*, and an improvement had been carried out which would facilitate the carrying on of the business."<sup>1</sup>

Again, in the *Dundee Advertiser* of September 20th, 1902, the following letter appears:—"To-day I noticed in the window of a public-house in your city the intimation that the results of all important football matches would be wired to that particular house. This is a 'draw,' and, no doubt, a good one for the enterprising publican."

When cases of this kind are brought forward, it is sometimes urged in reply that the object of the publican is not to push sales but to command a clientèle. But if one publican seeks to make his house more attractive, another will follow suit, and if the public-houses of the country generally are

<sup>1</sup> *The Wine Trade Review*, November 15th, 1902.



made more attractive, they will attract more customers, especially among the young, and so the national consumption of liquor, instead of being reduced, will be further increased.

The experience of the mother country is being reproduced in the colonies. A Bill to remedy the evils of the tied-house system was recently introduced into the Victorian Parliament. In the course of the debate Mr. A. A. Billson, a brewer, said:—"The result in many instances—I do not say in all cases—is that the buyer finds that the rent and the interest which he or she, as the case may be, has to pay is more than he or she can make out of the business, and these people then have to resort to some illegal means, such as gambling, keeping their hotels open after hours, trading on Sundays, or probably introducing some other vices of a worse character. Honourable members may ask, 'Why do they do this?' The answer is that when a person has put his money into a hotel, and finds he has

paid an inflated price for it, he is then very anxious to get his money out of it, and will resort to all kinds of practices for the purpose of making both ends meet."<sup>1</sup> That is to say he will "push sales."

If we turn to foreign countries the evidence is equally decisive that sales are "pushed" under the stimulus of private gain, and that improved conditions result when this stimulus is withdrawn.

A Foreign Office Report<sup>2</sup> upon the Government Spirit Monopoly in Russia, contrasting the present system with that previously existing, says:—"In the dram-shop the proprietor was usually willing to supply drink on credit, advance it on wages owing, or exchange it for agricultural produce, clothes, etc." These abuses were done away with when the trade was taken out of private hands. They had existed formerly owing to the determination of the dram-shop proprietor to "push" his sales to the uttermost.

<sup>1</sup> *Victorian Alliance Record*, October 1st, 1902.

<sup>2</sup> *Miscellaneous Series*, 465, 1898.



In Gothenburg, prior to the introduction of the Controlling System, a similar condition of things existed. "Innkeepers and publicans, who made a living by selling liquors, and paid a heavy fee to the authorities for their licences, naturally had an obvious interest in obtaining as large a sale as possible for their own benefit. For this purpose it was a common practice among them to sell on credit, the consequence being that the workman, after settling his debt to the publican, had often nothing left of his weekly wages to supply his own wants and those of his family. Being refused credit, the drunkard had recourse to the pawnbroker, and many a workman took his most necessary articles of furniture to the publican, who thus not unfrequently made an unreasonable profit in the pawnbroker's business as well."<sup>1</sup>

But perhaps the most glaring illustration of the extent to which the pushing of sales may be carried is to be found in connexion

<sup>1</sup> *The Göteborgs Utskänknings Aktiebolag.*

with the working of the Raines Law in New York. Under this law, in order to sell liquor on Sunday with impunity, "it was only necessary to run an establishment having ten bedrooms, exclusive of those occupied by the family and servants, and facilities for serving a sandwich." The law was passed in March, 1896, and by November of that year the police of New York City reported to a Senate Committee the existence of 2,378 liquor-selling "hotels," of which 2,105 were stated to be the offspring of the law, and the remaining 273 *bonâ-fide* hotels. In Brooklyn, the hotel list had swelled from 13 to 1,474, and in other cities a similar condition prevailed.<sup>1</sup>

In an article on "Sunday Opening by Statute," contributed to *Municipal Affairs* (December, 1901), by William Travers Jerome, District-Attorney under the present Reform Administration, it is stated that "there are 2,167 [of these] 'hotels' in the city of

<sup>1</sup> *The Liquor Problem in its Legislative Aspects*, Second Edition, 1898, p. 369.



New York, a very large proportion of which—probably over 80 per cent.—are nothing but houses of assignation.” This portentous abuse, which sprang up in a few months, was of course due to the determination of the publican to secure the profits of the Sunday trade.

Illustrations of an aggressive trade policy ever seeking the extension of business might be multiplied almost indefinitely.<sup>1</sup> They are, however, so patent that the fact of the “pushing of sales” can only be questioned when a restricted and altogether inadequate meaning is attached to the phrase.

The following curious extract from Defoe's *The Compleat English Tradesman* will show that the pushing of sales is no new thing:—

“I might enlarge here, and indeed it would very well take up a whole chapter, to give some particular instructions to those tradesmen I call public-house keepers, vintners, victuallers, inn-keepers, and the like; how they should carry on their trades like men of business, and perhaps, in the end, not less to the advantage of their families, without prompting the pot and the glass, and as the Text calls it, putting the bottle to their neighbour's nose, in a gross and scandalous manner, as is generally the practice; making themselves brokers to the *Devil* and tempters to vice, merely for getting two-pence or three-pence, or perhaps six-pence extraordinary spent in their house; I think I need not explain myself, the ordinary practice of those people, and the custom of their houses (those tabernacles of Bacchus) describe it too plainly.”  
—2nd ed. (1725), vol. 2, part 2, p. 95.

The full force of the contrast between the methods of private licence and those of Company control is illustrated by the action of the Directors of the Christiansand<sup>1</sup> Samlag. "When, early in 1874, it was discovered that the sales for 1873 exceeded those of the previous year, additional measures were at once adopted by the Society for checking the sale of spirits. Stringent orders for the further restriction of sales were at once issued to the bar managers, and a request was also made for the services of a special liquor officer, to be paid by the Company. As a consequence of these efforts the consumption for 1874 showed a marked diminution, notwithstanding the unusual prosperity of the working classes. Moreover, not content with the gradual progress it was making, the Company engaged the services of a representative of the Society of Home Missions to do temperance work in various parts of the city. Aid was also promised

<sup>1</sup> Town in Norway. Population in 1900—14,666.



for the establishment of coffee houses specially adapted to meet the wants of day labourers, where only temperance drinks would be sold. Again, in their report for 1882, the directors state that, in spite of stringent times and lower wages, and the stricter rules governing the spirit shops, the bar trade had not diminished to the extent expected, although, from the figures given, a considerable reduction seems to have taken place. In order to ascertain the reason for this, several meetings were held with the managers, a list was made of the regular customers, and the quantity of liquor bought by the latter noted. It was found that many men of the working classes squandered a large portion of their wages in drink. The directors at once took steps to prevent this. Smaller dram glasses were ordered, and the rule made that only one dram once in three hours must be served to each person. . . and all sale of liquor was prohibited to persons known to depend in part or wholly on charity, or who neglected their

families in any way. It is stated that these orders not only proved effective, but were even hailed with approbation by the customers themselves. The fear that the severe rules now governing the bar trade would lead to larger sales at retail, and thus foster home drinking, was not realized."<sup>1</sup>

Is it possible to conceive that ordinary publicans, acting under the stimulus of private gain, would adopt similar measures?

<sup>1</sup> Report of the Massachusetts State Commissioners, p. 98.



## CHAPTER VII.

### Is the Controlling System in Scandinavia a Progressive or a Retrograde Movement?

THE belief has been expressed by Mr. Walker that the Scandinavian movement is retrogressive. His conclusion is summed up in the following passage:—

“ Apart from the significant trend of indirect data like pauperism, the general tenor of the statistics and facts we have considered leads to the conclusion that since 1855 there has been an improvement in the sobriety of the country [Sweden]; but after the system became general the impetus of the former improvement gradually *slowed down*, until the last decade, when there has been a return towards the former state of degradation. Its supporters continue to base their arguments in great measure upon the undoubted improvement since the old days, but are blind to the present retrograde movement. That the movement is retrograde, the arrests for drunkenness, the consumption of spirits,

and the other data we have mentioned, all go to show. The most that can be claimed for the system is, that it has rendered the public-house so unpopular as to divert part of its trade to other channels."

Now there is ample evidence that this conclusion is erroneous, and that in both Sweden and Norway the movement is distinctly progressive. Apart from detailed evidence which we shall shortly give, the attitude of the Temperance party and of others concerned for the moral progress of the people towards the system, decisively shows that they regard it as a valuable Temperance agency. On no other hypothesis can one account for the action of the Bishop and Dean of Gothenburg and of the local clergymen in petitioning, in 1898, the Royal Governor of the Province that beer, equally with spirits, should come under the control of the Gothenburg Company.

Evidence yet more recent of the attitude of the Temperance party in Sweden towards the system is also forthcoming. In January, 1902,



the Swedish Temperance Society invited the organised Temperance workers, the Good Templars, the Blue Ribbon and other Associations, to a Conference at Stockholm. The chief discussion was upon co-operation in the work of reforming the laws relating to the production and sale of malt liquors. *The resolutions of this Conference were unanimously passed, and among these was one in favour of placing malt liquors under the same control as spirits, i.e., under the restrictions of the Gothenburg System.*

In Norway, the great Act of July 24th, 1894, was drawn up by Mr. Aarrestad, leader of the Temperance party in the Storting and in the country, in association with Mr. Berner, a prominent and influential member of the Temperance party, and Mr. Jensen, Chief Clerk in the Department of the Interior. This Act provides that in towns all trade in spirits, other than wholesale, whether on or off the premises, must be put under the control of the Samlags.

Four years later Mr. Aarrestad drew up the Minority Report of a Committee of the Storting, bearing date March 1st, 1898, in which he said:—"On the whole, it must be said that all trade with intoxicating drinks is fit for monopolising. *This is valid equally with the wine trade as with the brandy trade, and it holds good also as to the beer trade—at least as to the stronger beer.*" It is impossible to believe that the Temperance organisations and the Temperance leaders in Sweden and Norway would thus urge that beer should be brought under company control if the movement was one that had "*gradually slowed down until*" in the last decade there had been "*a return towards the former state of degradation.*" Since Mr. Walker's book was published we have very closely tested this question of the alleged deterioration of the system. As the readers of *The Temperance Problem and Social Reform* will be aware, we there expressed our sense of the dangerous character of the provision



which exists in Sweden for the appropriation of the surplus profits of the Bolags to the relief of local rates. It is a remarkable proof of the inherent strength of the controlling system that, notwithstanding the serious defect in its constitution as carried out in Sweden, the temperance purpose of the Company movement is so generally kept in view in that country.

In the years immediately following the formation of the Company in Gothenburg (1865-1873), it is probable that the business side of the experiment held too large a place in its management, but from 1874, when some change was made in the directorate of the Company, its temperance aims have been kept steadily in view. Dr. Wieselgren, in speaking of his own experience as a director of the Gothenburg Company (a position in which he rendered signal service), says: "By far the greatest difficulty was that of finding the true course between the Scylla of bar-drinking and the Charybdis of

tippling in the homes." English critics, in judging of the policy of the Controlling Companies, hardly give sufficient place to this thought. The progressive action of the Gothenburg Company in recent years is a thoroughly satisfactory record. Not only has there been a steady reduction in the number of public-houses, and efficient maintenance of other restrictive agencies, but quite recently an effort has been made to convert the public-houses more and more into restaurants for the working classes. The Bolag, as already stated, has decided that during the dinner hour (between twelve and two p.m.) all sale of branvin shall cease at these houses except when taken as an appetiser with meals. The Report of the Company for the year ended September 30th, 1902, states that 2,216,995 portions of food had been sold in the year. "Since 1883, the Bolag has opened [free] reading-rooms<sup>1</sup>

<sup>1</sup> These rooms are altogether distinct from the excellent free library of Gothenburg.



in different parts of the town, which offer a refuge to the working man, or to anyone who, wishing to avoid the public-house, but being in want of a home, does not know where to spend his leisure hours in the evening. At these places coffee, tea, milk, chocolate, non-alcoholic drinks, sandwiches and other light refreshments are supplied, but neither beer nor spirits of any kind. They are also provided with a goodly selection of books and newspapers, as well as with materials for letter-writing. Young workmen, especially those excluded from the public-houses by the rules of the Bolag, have found these reading-rooms to be an excellent substitute." The number of visitors to these rooms has risen from 198,780 in 1897-98 to 456,314 in 1902. At the same time the number of the reading-rooms has been increased from three to seven. The loss upon these reading-rooms, which is borne by the town authorities, is 26,000 kronor (£1,444) per annum.

In a further passage (page 60), Mr. Walker says that the Gothenburg System seems to have been managed in its early years "without any hint of corruption or speculation, for we find that, among the voluminous evidence on the subject in the 'Reports of the House of Lords Commission on Intemperance' in 1877, there is no mention of any complaint on this head. Since then, however, many companies have fallen from their original ideals, and an unpleasant feature is that this tendency is most noticeable in those formed in recent years. Let us give some examples."

The following are among the examples which Mr. Walker gives:—

- 1.—Of the ninety-two Swedish Bolags, fourteen remain "Bolags" only in name, and are practically private concerns with three shareholders each; eight had, in 1893, only two, one of them having on its list of shareholders only the actual licensee and his barman.
- 2.—Such companies had often neither directors, auditors, nor meetings, and therefore, in spite of all the machinery of the "Bolag," there existed no checks upon the expenditure of the profits, and the licence was practically



conducted as a private venture, devoting an unknown and probably small portion of its drawings to the public funds.

3.—A similar result follows the farming out of public-houses by the companies. Forty-five companies work on this principle.

4.—Thirty-four companies have not retained a single licence in their own hands.

We shall deal with these assertions directly. Meantime we may remark that the question under consideration is not whether there have been abuses in the past, some of which still exist, but whether on the whole the Controlling System in Scandinavia is a progressive or a retrograde movement. In *The Temperance Problem and Social Reform* (1899), attention was directed to the existence of abuses in the case of some companies. Nevertheless Mr. Walker writes :—" Messrs. Rowntree and Sherwell were in Sweden in 1898; yet this Act [*i.e.*, the Act of May 24th, 1895] seems to have altogether escaped their notice, and in their book we have not a hint of the abuses which made it necessary, and which were

exposed by Baron Bonde in the debate in the Diet."

This statement is characteristic of the careless haste with which Mr. Walker wrote. In every edition of *The Temperance Problem and Social Reform*,<sup>1</sup> pointed attention has been directed to these abuses and to the law of May 24, 1895.

The condition of things which Mr. Walker describes was that which existed *prior to this law of May 24th*, 1895, and the material he uses is that which was collected in connexion with the official inquiry which preceded the legislation of that year. How great is the improvement that has taken place since that time will be presently shown; but it may be well in the first place to give some detail of the one hundred Swedish companies existing in 1901.

These companies are of two classes, which are called respectively Share Companies and

<sup>1</sup> See pages 290-292 editions 1 to 6.

" 468-470 " 7 to 9.

" 114-115 6d. edition.



Private Companies. Of the former there are thirty, and of the latter there are seventy. With respect to the differences in administration between the two classes of company, Dr. Wieselgren, in a letter to the present writers dated October 28th, 1902, writes:—

“In the Share Bolag each shareholder is responsible only to the extent of his own contribution to the capital stock; in the Private Bolag every partner is responsible for the engagements of the Bolag, not only to the extent of his contributions, but with his private means. The partner in a Private Bolag must consequently run greater risk than a shareholder in a Share Company. But the fact that a Bolag may be single or joint is of no importance with regard to the manner of conducting the business—both of them can do it well, both of them can do it badly. Mr. Walker is greatly mistaken in thinking that the Private Bolags are a recent feature marking the growing degradation of the Company System. The Private Bolags

have always been the majority, both sorts exist under the same law, and what Mr. Walker says concerning their devoting an unknown and probably a small portion of their profits to the public funds is very unreasonable, as they must use the same form in their account books as the Share Bolags, and their accounts are also subject to the same official inspection."

Now if the question were asked whether private bolags were the ideal form of the Company System, an answer in the negative would doubtless be given,<sup>1</sup> but the point is whether the Company System is on the whole progressive or retrograde. Now what are the facts? Mr. Walker, evidently referring to conditions which obtained before 1895, says, "Thirty-four companies have not retained a single licence in their own hands." In 1901 this condition of things no longer existed. In that year ninety-six of the hundred Swedish companies had licences for an "off" trade,

<sup>1</sup> In Norway all the Samlags are Share Companies.



and of this number only *three* companies transferred the whole of their licences; while of the ninety-nine Bolags which had licences for an "on" trade, only *five* transferred the whole of their licences.

Again, Mr. Walker states that, in 1893, fourteen companies had only three shareholders, and eight only two. In 1901, however, out of the entire body of seventy private companies *there was not one which had fewer than nine shareholders.*<sup>1</sup>

Mr. Walker further states that such companies had often neither directors, auditors, nor meetings. In 1901, however, of the seventy private companies, one had two directors, forty had three, fifteen had four, thirteen had

<sup>1</sup> The number of shareholders in each of the seventy private companies was as follows:—

1	had	57	shareholders.
1	"	43	"
1	"	34	"
1	"	25	"
4	"	20	"
1	"	16	"
3	"	15	"
5	"	14	"
1	"	13	"
6	"	12	"
5	"	11	"
6	"	10	"
35	"	9	"

fifteen, while of the remaining one we have no return.

It is manifest, then, that in regard to these points which Mr. Walker selects as evidence of the companies having "fallen from their original ideals," *there has been in every particular a marked advance in recent years.*

We have no desire to minimise that defect in the Swedish system which sanctions the appropriation of so large a portion of the Bolag profits to the relief of rates, and we think the Swedish Temperance Union does good service in calling attention to such abuses as still exist. It should, however, be remembered that what are spoken of as "abuses" are often nothing more than the ordinary methods of private traders. Thus the Swedish Temperance Union names, among other abuses, the case of four small places (each with a population of less than 3,000) in which the Company's manager is paid either in part or altogether by a commission



upon sales. In a recent petition to the King, the Swedish Temperance Union points to a much-needed reform, urging that the Public Controller should be invested with the right to take legal action and to revoke the licences of companies which do not fully carry out the provisions of the law of May 24th, 1895.

Another assertion of Mr. Walker's is that in Sweden Sunday closing is not so prevalent as formerly, and that the Bolags have been the means of opening the public-houses on Sundays. On inquiry we can find no ground for this statement. On the contrary, Mr. Andrée, the general manager of the Gothenburg Bolag, writes (July, 1902):—"Sunday closing is *more* prevalent here than before." All the shops for "off" sale are closed by statutory law throughout the whole of Sunday, and of the ninety-nine Bolags which conduct an "on" sale, at least sixty-six do not open their houses at all on Sunday; of four we have no report, while twenty-nine are only open during certain

hours of the day.<sup>1</sup> Mr. Walker makes a general charge against the Swedish system in the following sentence:—"In America, the promoters never pretended to have very lofty ideas of morality,<sup>2</sup> but the tendency to corruption and peculation on the part of all concerned is as pronounced as in Sweden." After a laborious and detailed examination of the question, we are in a position to state that this general charge of corruption and peculation against those who conduct the system in Sweden is without foundation.

Mr. Walker has drawn his illustrations of defective Company management almost

<sup>1</sup> The clauses of the Act of May 24th, 1895, dealing with Sunday closing, are as follows:—

"On Sundays and holidays the sale of brandy over the bar shall generally be limited to the meal times, and brandy shall be served only to guests ordering food.

"When special circumstances call for the extension or limitation of the time of selling brandy over the bar, the governor shall make the necessary provisions in this respect, after having received a statement from the Local Government Board and having consulted with the magistracy or the Board mentioned.

"During divine service the bar trade places shall always be closed."

In Norway the public-houses are closed at 1 p.m. on Saturday, and do not re-open until 8 a.m. on Monday.

<sup>2</sup> We have already pointed out that the Gothenburg System does not exist in America.



entirely from Sweden. Although the purity and efficiency of administration in that country is advancing, there can be no doubt that the Norwegian system forms a better model for imitation than the Swedish. As has often been pointed out, the Company System was introduced into Norway some years after its establishment in Sweden. Norway had the great advantage of availing itself of the experience of Sweden, and of thus avoiding some of the mistakes which had been made in that country. From the first, the Company System in Norway was put under effective Government control. The appropriation of the profits was determined by statutory law, and the bye-laws of the companies have to receive the sanction of the Government. The Act of May 3rd, 1871, authorising the introduction of the Company System into Norway, provides that "the right of retailing ardent spirits may also be granted to societies which bind themselves to apply the possible profit of their trading

in aid of objects of general public benefit and utility ; and *whose articles of incorporation are confirmed by a resolution of the magistracy and municipal council, and are sanctioned under the royal seal.*"<sup>1</sup> For forgetfulness of public weal or for any breach of trust, the governor has the right to withdraw the licence privileges without compensation. Approval of the bye-laws also being "only for the present," the Government may at any time bring a faithless company to a change in policy simply by threatening it with extinction. The control is strict, and one company has been so treated. More frequent necessity has not arisen.<sup>2</sup>

It needs no minute examination to see that in Norway the company movement has been a progressive one. We have already directed attention to the fact that the law of July 24th, 1894, was drafted by the Temperance leaders of the country, and gave

<sup>1</sup> *Local Option in Norway*, by Thomas M. Wilson, page 12.

<sup>2</sup> *Popular Control of the Liquor Traffic*, by Dr. Gould, page 8.



expression to its temperance sentiment. The advanced Temperance party held that if the sale of spirits was to continue at all, it was better that it should be under the control of the Samlags than that it should be free; and hence it was desired to narrow the alternatives to a choice between the Samlags and Prohibition.<sup>1</sup>

In drafting and securing the passing of this Act, the Temperance party, after an experience of the working of the Company System extending over eighteen years, emphatically set their seal upon it as the system under which they desired that the sale should be carried on. Their efforts to place beer under company control still further emphasized their attitude towards the Company System.

English reformers have been fearful that if the profits of the trade were taken out

<sup>1</sup> Certainly no complaint can be made that the recent temperance policy of Norway has not been sufficiently advanced. If anything, it has moved too quickly. The opportunity of choosing between the Samlag and Prohibition given by the Act of July 24th, 1894, was made use of by each of the fifty-one Samlag towns, with the result shown in the Appendix (*see* p. 268).

of private hands, the path to more advanced Temperance legislation might be barred. If the profits of the trade were, as in Sweden, appropriated to the relief of rates, this might be the case; but in Norway, where the profits are appropriated chiefly to a National Fund, and, for the rest, to objects of public utility not supported by the rates, no difficulty of the kind has been felt. The result, indeed, has been of an altogether opposite character.

The question may be asked: How is it that Norway has been able to pass such an Act as that of July, 1894, an Act so far in advance of anything that has been possible in any other European country? The answer obviously is, that public opinion in Norway was able to exert itself freely, and was not hindered by public-house influence, the distillers having no places of retail sale through which they could influence the electorate. At the risk of labouring a point unduly, the explanation may be again given



that the reason why a similar law has not been passed with regard to beer, is because the retail sale of beer is in private hands, and the brewer can influence the electorate through the very numerous beer-shops in the country.

As is well known, one section of the Norwegian Act of July, 1894, assigned sixty-five per cent. of the profits of the controlling companies to the State. The Temperance party recognised the danger that lurked in the appropriation of large profits locally earned to local objects of public utility, and wisely secured the diversion of a large portion of the profits to the State.<sup>1</sup> In view of the benefits which the localities had received, it could not have been a matter of much surprise if this proposal had been seriously contested, but that such was not the case is a further illustration

<sup>1</sup> In the practical proposals made by the present writers, in the last chapter of *The Temperance Problem and Social Reform*, the danger of the locality acquiring an interest in the maintenance or extension of the traffic is effectually guarded against. It is provided that after allowing for the grants for counteracting agencies, which are to be determined by population and not by profits earned, the whole balance shall go to the State.

of the extent to which Temperance sentiment had flourished and acquired power under the Company System.

Mr. Walker tries to make out a case against the Company System in Norway by the following quotation from the report made in 1893 by Mr. Michell, the British Consul-General in Norway:—

“As a matter of fact, the original purpose of applying all profits to philanthropic purposes has been more and more departed from during the last fifteen years, within which several towns have made contributions out of gains on the sale of spirits towards the construction of waterworks, public schools, and even of railways.”

This now discredited report was completely refuted at the time. It was discussed by the Norwegian Storthing on the 17th July, 1893, and a resolution was adopted *nem. con.* characterising Mr. Michell's reports “as calculated to convey false impressions abroad.”

Moreover, at the request of the Home Department of Norway, Mr. H. E. Berner, of Christiania, who is regarded as the highest



living authority upon the Company System in Norway, wrote a full refutation of Mr. Michell's charges, which was forwarded by the Norwegian Government to our own Foreign Office.

“Twenty-two of the most experienced British subjects residing in Norway, the average length of their residence being sixteen and a half years, also took independent steps to make Her Majesty's Government acquainted with the character of the Report that had been issued under the *imprimatur* of the British Foreign Office. These gentlemen addressed a memorial to Her Majesty's principal Secretary of State for Foreign Affairs, in which they characterised Mr. Michell's Report as ‘entirely misleading and inconsistent with the truth respecting the system in question,’ and they humbly prayed that the Report be withdrawn from circulation on account of its incorrect and misleading character. That memorial was accompanied by the testimonies of twenty-seven British

Vice-Consuls in Norway upon the working of the Gothenburg System in the local areas under their observation. Those testimonies were all of a favourable character.”<sup>1</sup>

Mr. Michell appears to have been curiously ignorant of the facts about which he wrote. It is quite incorrect to say that the original purpose was to apply all profits to philanthropic purposes. The law of 1871, under which the Companies were established, expressly provided that the net profits of the Samlags should be devoted to objects of public utility, and this was interpreted as referring to objects which the municipality is not, by law, already obliged to support. The statement that the Samlags made contributions out of the gains on the sales of spirits towards the construction of railways is misleading. The very simple explanation was given by Mr. Thomas Wilson, of Bergen, in these terms:—

“The railways of Norway are State property and are constructed with Government

<sup>1</sup> Quoted from a Memorandum forwarded to one of the present writers in 1894 by Mr. Thomas M. Wilson, of Bergen.



funds in conjunction with local shareholders, who have, however, no voice in the affairs of the railway. As a condition for making a local railway line the State requires that the local public bodies, and wealthy residents of the districts through which the line is to pass, shall subscribe for a certain minimum amount of the railway's stock. The local savings banks and other public bodies, including the controlling societies, have, in the cases spoken of, subscribed as shareholders for stock so as to comply with the Government condition and ensure the construction of the desired railways; but the controlling societies' investments are temporary only, and the societies may realise and sell out their stock when desired and apply the amount to 'general useful purposes' at any time. The sum invested in the railway stocks is simply a deferred application of profits, but which temporarily serves a 'general useful purpose,' and will eventually be applied as a donation to some other 'general useful purpose,' like all other profits."

## CHAPTER VIII.

### The Evidence of Foreign Observers upon the Working of the Company System in Scandinavia.

IT has been urged<sup>1</sup> that in Sweden the local authorities are naturally in favour of a system which contributes so largely to the municipal purse, and that some discount should be taken from the opinions they express in favour of the Company System. The caution is one to which an investigator upon the spot would no doubt give due place. No one, however, who had enjoyed the advantage of a free conversation with the Chief of the Police in Gothenburg upon the working of the Controlling System in that city could, we believe, come away from the interview with any other conviction than that of having heard the honest and disinterested

<sup>1</sup> Walker—*The Commonwealth as Publican*, pp. 32-3.



opinion of the speaker. Mr. Walker urges<sup>1</sup> the further objection that "The evidence of foreign observers who seem to have a special brief for the Company must also be accepted with reserve, but it is interesting to note that both in Sweden, Norway and Finland, impartial travellers who write for the information of the general reader, seldom express a high opinion of the 'Bolag' as a reforming agency." Now if the facts were as stated in this passage, they ought to weigh with English readers, but the evidence is directly contrary to Mr. Walker's statement.

The evidence of Mr. Chamberlain, strongly in favour of the system, has been so often quoted that it need not be repeated here. It will be found in the introduction which he wrote in 1894 to Dr. Gould's book, *Popular Control of the Liquor Traffic*.<sup>2</sup> Mr. Chamberlain's view is that of a

<sup>1</sup> *Ibid*, p. 34.

<sup>2</sup> Cassell & Co., Limited. Price 1/-

keen-sighted observer, familiar with the municipal life of his own city. The system has, however, been the subject of a most systematic and thorough inquiry, made at the instance of the Government of the United States. The Fifth Special Report of the Commissioner of Labour, Washington, was devoted to the Gothenburg System of Liquor Traffic. The report was prepared under the direction of the Hon. Carroll D. Wright, Commissioner of Labour, by E. R. L. Gould, Ph.D. Mr. Carroll D. Wright, in forwarding the report to the President, sent along with it a "letter of transmittal," dated March, 1893, from which the following extracts may be given:—

"The following pages represent a careful investigation into the working of the so-called Gothenburg System. . . . The figures have been uniformly drawn from official sources, while the remainder of the information has been taken only from those universally recognised as possessing the best means of



understanding the system, and, indeed, those whose authority is considered quite unimpeachable. Even in such cases no individual *ipse dixit* has been accepted without a verification from official material where that was possible, or, where it was not possible, by comparison with other authorities. Every effort was made to learn the views of parties of all shades of opinion, and whether in consultation with directors or employees of brandy companies, with public officials, with temperance leaders, or with those opposed to the principles of the system, the most courteous assistance was uniformly rendered.

. . . . Mr. John Koren, of Boston, Massachusetts, who is thoroughly familiar with the Scandinavian languages, has rendered Dr. Gould most valuable assistance in the preparation of this report."

Dr. Gould's report occupies 253 pages. What the result of the inquiry was upon his own mind can be best given in his own words.<sup>1</sup>

<sup>1</sup> Preface to *Popular Control of the Liquor Traffic*, pp. xi., xii.

“I went there absolutely without prejudice of any sort; I came away a convert to the system. The testimony of facts and the object-lessons afforded on every hand were so conclusive that I could not help feeling that the Scandinavian method is the only really practical means of dealing with the liquor evil in this generation. This opinion is fortified by knowledge and observation of other systems, gained from nearly five years' experience as an investigator of social problems in Great Britain and on the continent of Europe. It is far in advance, too, of any method which has been tried in the United States. I do not regard the Scandinavian plan as perfect, but I do believe it to contain the ‘promise and the potency’ of higher things. It is a measure of progressive reform, sound in principle, operating harmoniously with well-defined laws of social advance, and is easily adaptable to English and American conditions. Its trial will do more than anything else yet



suggested to mitigate an intolerable social curse."

The investigation made by Dr. Gould was supplemented in 1894 by one made at the instigation of the State Legislature of Massachusetts, and conducted by Mr. John Koren. The Commissioners, in forwarding Mr. Koren's report (extending over 180 pages) to the Senate and House of Representatives of Massachusetts, wrote as follows:—

"The Commission appointed by His Excellency the Governor, under chapter 86 of the Resolves of 1893, to investigate the Gothenburg and Norwegian systems of licensing the sale of intoxicating liquors, beg leave to submit the following report:—

"Three separate investigations have been made in Norway and Sweden, one by Dr. E. R. L. Gould, of the Department of Labour at Washington, embodied in an elaborate report of 253 pages, and issued in 1893 under the direction of Carroll D. Wright. A second

investigation was made in 1893 by one member of the Commission. As certain difficulties yet remained as to the consumption of liquors and the relation in several particulars of the Norwegian to the Swedish system, Mr. John Koren was sent by the Commission to make a final thorough study of the question both in Sweden and Norway. Mr. Koren is a trained statistician, familiar with the Scandinavian languages, and was already prepared for such investigation by an intimate knowledge of the system in both countries. The extended account of the system which follows is the result of Mr. Koren's careful research. Every special difficulty suggested by previous studies was given to Mr. Koren, in order that he might, upon the spot and with the help of the officials, get every explanation of such difficulties that the authorities could give. All important data up to the year 1893 are here presented."



The Commissioners conclude their message with the words :—

“ Finally, the Commission, after its investigation, may be allowed to express the confident conviction that the evidence for this system, if fairly weighed, abundantly justifies in this Commonwealth such experiment under the Norwegian method as might be tried with entire safety under a permissive bill.”

Mr. Koren himself formed an opinion of the Controlling System fully as favourable as that which had been formed by Dr. Gould.

The foregoing evidence may be supplemented by the testimony of Mr. T. M. Conradi, Norwegian Vice-Consul at Newcastle-on-Tyne. Speaking at the Durham Diocesan Conference of the Church of England Temperance Society at Stockton, he said :—

“ When I left my own native town, Christiansand, some thirty years ago, it had a bad reputation for drunkenness and rowdyism. Christiansand is a seaport town

in the south of Norway, with an excellent harbour, which is much used by vessels going to or coming from the Baltic. It is, therefore, a town often full of foreign sailors, of boatmen, porters, and hangers-on. The boatmen in Christiansand had in particular a bad name all over Norway—at all times ready to support their arguments or presumed rights with their fists, and were a terror to peaceful travellers. In those days brawls were not infrequent, and a drunken person was a daily sight. Beggars were to be seen in the streets, dirty and sickly-looking, with disease and poverty stamped upon their person. I have visited my native town almost every year since the new licensing system was introduced, and I have been particularly struck by the rapid change for good which has been brought about. The old topers have died out, and a new generation of sober people have sprung up under precepts and teachings which their fathers did not enjoy. As the moral tone improved, so did manliness



and self-respect. No ragged child is now seen in the streets, and the last beggar I saw was a sickly remnant of bygone days."<sup>1</sup>

Mr. Thomas Wilson, of Bergen, cannot be classed as a "foreign observer," as before his death he had resided in Norway for more than thirty years. He was, however, British born, and had had a University education in this country. His study of the Norwegian System was of a singularly thorough and searching character, and his pamphlet entitled *Local Option in Norway* is

<sup>1</sup> Mr. Walker, however, writes (p. 34):—"As regards Norway, the last Consular report on the subject—by Vice-Consul Franklin, in 1897—describes the drunkenness caused in the outlying districts both by the 'Samlag' and the prohibitive laws in no measured terms, and concludes: 'I take the liberty of reiterating what I have previously written, that it is my opinion that British legislators would be ill-advised if they attempted to introduce the 'Bolag' system in England.'"

One of the present writers visited Mr. Franklin, at Porsgrund, on June 23rd, 1898. In the course of conversation Mr. Franklin said:—"There can be no question that for Norway it [the Company System] was a good thing, and much better than private licence." This is the opinion of a man who had been nearly thirty years in Norway. Mr. Franklin's objection to the introduction of the Company System into England seemed to be based partly on doubts as to its practicability owing to the larger populations, and also because he anticipated difficulty in connexion with the distribution of profits. When, however, the proposals for the appropriation of profits, afterwards embodied in *The Temperance Problem and Social Reform*, were explained to him, he expressed approval of them, and said that they fully met his objection.

a classic from which almost all writers upon the system have drawn. His opinion may be quoted as the deliberate pronouncement of a competent observer who at first was opposed to the introduction of the Company System, owing to fears which he tells us were subsequently dispelled by close observation of the Society's operations. Summing up, nearly twenty years later, the result of his investigations, he says:—

“In an English work before us the author says, speaking of Bergen, ‘we did not see a single drunken person, a single beggar, or anyone in rags.’ He had not such an intimate experience of Bergen as we have, or he would have qualified his statement a little; but still there is a world of truth in what he has said in the words quoted. There is, really, not a tithe of the wretchedness, squalid misery and poverty, drunkenness and beggary, so prevalent in English towns of similar size. That the difference is due, to no small extent, to the fact that in Bergen



the sale of ardent spirits is strictly controlled, while in the English towns it is not, is indubitable; and it is a fact that quickly impresses itself on the minds of those who know the peoples and circumstances of both countries intimately."

A few years before his death, Mr. Wilson addressed direct inquiries to a number of the most representative men in Bergen, including, among others, the Governor of the Province, the Mayor of Bergen, Members of Parliament, the Chief of the Police, the British, French, German, and American Consuls, the Bishop and Clergy of the City, etc., inviting their opinion upon the results of the Controlling system in that city. To these inquiries he received in reply a remarkable series of letters, almost the whole of them favourable to the Controlling system.<sup>1</sup>

<sup>1</sup> In a pamphlet entitled *What I saw of the Gothenburg System in Bergen*, published in 1894, the writer (Rev. Henry B. Blogg, M.A.) calls attention to the fact that "no less than twenty-two British Vice-Consuls in Sweden, and twenty-eight in Norway, have from their official knowledge reported most favourably on the Gothenburg System."

## CHAPTER IX.

The Company System in Scandinavia and the Public-House Trust Company System in Great Britain: A Comparison of the Conditions under which each is carried on.

WE hope that what has already been written will have prepared the way for an appreciation of the broad and fundamental differences between the Company System as carried out in Scandinavia (especially in Norway) and the Public-House Trust Companies of this country. A comparison between the conditions under which the two systems are conducted will show the enormous disadvantages under which the latter labour.

### LIMITATIONS OF THE PUBLIC-HOUSE TRUST MOVEMENT.

It is necessary that these should be known, as the belief exists in some quarters that the Public-House Trust movement will, of itself,



and without the aid of further legislation, go far to solve the drink problem in this country. This is certainly not the case. On the contrary, the sphere of the Public-House Trust Companies must be exceedingly restricted unless they purchase licensed properties upon a considerable scale, and such purchases can only be made upon the basis of monopoly profits. Companies launching out upon a policy of this kind would soon cease to be forces working for temperance. They would come to dread any reduction in sales or any legislation which would imperil their monopoly or lessen the value of the licensed premises which they had bought. Even the limited number of houses which the Trust Companies may acquire in new districts will be carried on under conditions of such difficulty as to make any decisive success in connexion with them well nigh impossible. This will be seen at once when it is remembered that without a monopoly of the licences of a district it is impossible

to apply effectively either the restrictive or the constructive agencies that work for temperance. It would be of little use for the Trust Houses to shorten the hours of sale, to raise the age at which young persons might be served, to refuse credit, to employ no female bar-tenders, to dispense with all adventitious attractions, if, in the near neighbourhood, other licensed houses existed in which none of these restrictions were enforced; neither could the constructive agencies be brought into play with any prospect of important success if such recreative agencies as were established had to compete with others associated with the sale of drink. The Scandinavian experiment demonstrates no point more clearly than the necessity of obtaining and retaining *a monopoly* of the retail sale of drink in a locality.

#### THE NORWEGIAN SYSTEM ESSENTIALLY ONE OF CONTROL.

But these considerations, important as they are, fail to bring out the essential



differences between the two systems. *The Norwegian System is in its very essence a system of control.* The Government and the people of Norway frankly recognise that the sale of drink is one that needs to be controlled. The Company System will not act as a charm. It will be efficient in so far as it becomes, in fact as well as in name, a *controlling* system; and in order that this end may be secured, the Companies are not left to their own devices, but work under the joint supervision of the Crown and of the local authorities. It is in the wise combination of central control and local initiative that the singular excellence of the Norwegian System consists.

John Stuart Mill expressed the opinion that the reformed English Poor Law is a happy illustration of the combination of State action with local action,—the State determining the principles upon which relief shall be given, but leaving to the localities the administration of the Act. A similar illustration is offered

in the relation of the Central Government to the Controlling Companies in Norway. The management of these Companies is not a matter which any citizens destitute of experience, however honest and well-intentioned, can undertake without guidance. The results of a wide experience have been garnered by the State, and the State wisely refuses, in a matter where such great interests are at stake, to permit crude and immature experiments. At the same time it does not enforce any cast-iron system; so long as certain broad lines of action which experience has found to be essential to success are adhered to, the Companies are left free from harassing interference.

Leaving for a moment these general principles, let us consider what happens in Norway when a town wishes to establish the Company System. The right of retailing ardent spirits may only be granted to societies whose articles of incorporation are confirmed by a resolution of the magistracy



and municipal council, and are sanctioned under the royal seal. This necessity at once guards against the introduction of ill-considered schemes conducted on principles contrary to those which the State and the Norwegian people have determined to be necessary for the conduct of the trade. Then the appropriation of the profits is strictly defined by statutory law. Sixty-five per cent. goes to the Central Government, and of that portion (viz., twenty per cent.) which is left to the administration of the Company, *none of it can be applied to objects for which the municipality itself, under the laws in force, is responsible.* It can only be applied to objects of "public utility" not chargeable to the rates. The balance of fifteen per cent. which goes to the municipality is an allowance in lieu of the much larger sums previously derived from the licence tax now abolished. It is also provided that the "accounts of the Samlags shall be kept according to the forms prepared by the

department concerned, and shall be audited each year by two auditors, one of whom shall be elected by the Communal Administration, the other by the Superior Authorities." The representatives of the Crown, of the magistracy, and of the municipal council are entitled to inspect the books and accounts of the Samlags at all times. So thorough is the supervision that even the choice of a manager for each place of sale is subject to the approval of the local magistracy and municipal council.

The association of the Companies with the municipalities is also worthy of note. The municipality is the ultimate licensing authority;<sup>1</sup> it determines the number of licences that shall be issued, and (in Bergen) while one half of the committee of management is chosen by the shareholders, the other half is chosen by the municipal council. This association makes the Companies responsive to public opinion. The transactions

<sup>1</sup> See Appendix, p. 249.



of the Company are carried on subject to full public scrutiny.

The Companies are worked, therefore, under three powerful safeguards against abuse :—

- 1.—There is the safeguard of statutory law attaching to their constitution, to their administration, and to the general appropriation of their profits.
- 2.—There is the safeguard of supervision by the licensing authority.
- 3.—There is the safeguard which attaches to affairs carried on directly under the public eye, and which are subject ultimately to public control.

Yet, along with this efficient control there is much local liberty ; there is a power of local adaptation of means to ends to a degree which cannot be predicated of any other system. The localities are left free to work out their deliverance from the drink curse by methods which they deem the best.

NORWEGIAN AND PUBLIC-HOUSE TRUST  
SYSTEMS COMPARED.

Now, compare all this with the conditions under which the Public-House Trust Companies of the United Kingdom work. There is in this country no statutory law defining and limiting the sphere and character of a Trust Company's operations. The control exercised by the State over their articles of association is similar in character to that exercised over the articles of association of a cycle company. The control goes no further, and has no reference to the special danger of the drink trade. There is no security that the policy of a Trust Company will be responsive to an advancing public opinion; nor are the transactions of the Company conducted directly under the public eye in the sense in which those of the Norwegian Samlags are conducted. Over the vital question of the appropriation of the profits neither the State nor the local authority has any control. The books are not kept



upon a method determined by the State, nor does the State or any local authority share in a yearly audit. The central principle which underlies the Trust Companies, namely, the elimination of private profit from the sale of drink, is unquestionably sound; but its practical application in the United Kingdom is hindered by limitations which only legislation can remove. The high-minded men who have initiated the Trust movement are indeed heavily handicapped in their efforts to introduce, under safe and stable conditions, a system that shall lessen the evils of intemperance. They necessarily work under adverse competitive conditions, the field of their operations is severely restricted, and they have not the support of strong statutory law.

The evidence of Scandinavia is surely decisive that public control of the liquor traffic, whether exercised through municipalities or through controlling companies, should always be under the direct supervision of the Central

## COMPANY SYSTEM AND TRUSTS. 191

Government and only within clearly defined statutory limits. And especially that the appropriation of the profits should be determined by law, and be such that localities can have no inducement either to stimulate or to continue the traffic for the sake of the profit which it yields.



## CHAPTER X.

### The Possibilities of Company Control compared with the Possibilities of Private Licence.

BEFORE bringing the possibilities of the two systems into comparison, a preliminary question awaits consideration. What are the vital facts in connexion with intemperance with which the social reformer has to concern himself? Are they the number of arrests for drunkenness, or the statistics of consumption? This question cannot be better introduced than by a consideration of the remarkable results which have been achieved in Liverpool through the vigorous enforcement of the existing licensing laws. The experiment has excited much attention, and last year (1902) separate deputations from the magistrates of Glasgow and of Dundee visited Liverpool for the

purpose of investigating the facts upon the spot. The printed reports of these two deputations are full of interest.

The extraordinary reduction in the number of persons proceeded against for drunkenness in Liverpool since 1889 will be seen from the following figures:—

## LIVERPOOL.

Year.	Proceeded against for Drunkenness.
1889 .....	16,042
1890 .....	14,680
1891 .....	11,343
1892 .....	9,005
1893 .....	7,936
1894 .....	5,657
1895 .....	5,305
1896 .....	5,026
1897 .....	5,105
1898 .....	4,339
1899 .....	4,069
1900 .....	4,180
1901 .....	4,327
1902 .....	5,115

Both the present and the late Chief Constables state that no change has been



made in the tabulation of the arrests for drunkenness, and that the figures given are an actual index of the criminal drunkenness to-day and in recent years, as compared with an earlier period.

The question will naturally be asked: What has been the cause of this great reduction? Let us in the first instance see to what it has *not* been due. The subjoined table shows the reduction in the number of "on" licence houses between 1889 and 1902, and the relation which the "on" licences bore in each year to the population:—

## LIVERPOOL.

Year.	Estimated Population.	Number of Public Houses.	Number of "On" Beer Houses.	Total of "On" Licences.	Population to each "On" Licence.	Proceeded against for Drunkenness per 1,000 of Population.
1889	523,838 <sup>1</sup>	1,864	238	2,102	249	30.6
1890	520,466 <sup>1</sup>	1,857	241	2,098	248	28.2
1891	518,302 (Census)	1,854	241	2,095	247	21.9
1892	519,590	1,843	235	2,078	250	17.3
1893	520,882	1,803	227	2,030	257	15.2
1894	522,178	1,783	222	2,005	260	10.8
1895	652,523 (City extended)	1,906	256	2,162	302	8.1
1896	658,050	1,895	249	2,144	307	7.6
1897	663,633	1,883	246	2,129	312	7.7
1898	669,243	1,865	244	2,109	317	6.5
1899	674,912	1,852	241	2,093	322	6.0
1900	680,628	1,805	237	2,042	333	6.1
1901	686,332 (Census)	1,777	232	2,009	342	6.3
1902	702,247 (City extended)	1,798	248	2,046	343	7.3 <sup>2</sup>

<sup>1</sup> We find on inquiry that there was an actual reduction in the population in 1889-90.

<sup>2</sup> A comparison of the ratio of arrests for drunkenness to population even between towns in the same country is, as we have shown, of uncertain value. It may, however, be of some interest to note that in the table given in the Appendix (p. 254) showing the yearly average number of persons proceeded against for drunkenness in thirty-eight representative towns in England and Wales during the quinquennial period 1897-1901, the average ratio works out at 7.4 per 1,000 of the population. Taking the same quinquennial period, the average for Liverpool is 6.5, that for Hull is 7.3, and that for Cardiff is 7.5.



It will be seen that during the years in which there was the greatest reduction in the number "proceeded against for drunkenness," the ratio of "on" licences to population remained practically the same. Thus in 1889, when the number proceeded against for drunkenness per 1,000 of the population was 30, there were 249 persons to each "on" licence, while in 1892, when the ratio of those proceeded against for drunkenness had sunk to 17, there were 250 persons to each "on" licence. Or, to take another set of figures, the number proceeded against for drunkenness per 1,000 of the population was in 1896 almost the same as in 1902. In this period, however, the number of persons to each "on" licence had increased from 307 to 343. Whatever, then, may have been the cause of the reduction in the number of persons proceeded against for drunkenness, that reduction cannot primarily have been due to the diminution in the number of public-houses.

In the valuable pamphlet<sup>1</sup> recently published by Mr. Arthur Chamberlain, tables are given showing the relation of licences to population in various towns. From these tables we have compiled the following, from which it will be seen that, arranging the towns according to the fewness of the "on" licences in relation to population, Liverpool comes fifth on the list. Its position is neither exceptionally good nor exceptionally bad, and we are again thrown back upon some explanation other than the ratio of public-houses to population in attempting to account for the lessened drunkenness of the city:—

RELATION OF "ON" LICENCES TO POPULATION  
IN VARIOUS TOWNS IN THE YEAR 1901.

TOWN.	Number of Public Houses.	Beer Houses "On" (including Beer and Wine "On").	Total "On" Licences.	Number of Inhabitants to each "On" Licence.
Leeds .....	341	402	743	577
Hull .....	301	160	461	524
Bradford .....	272	346	618	453
Nottingham .....	415	180	595	403
Liverpool .....	1,777	232	2,009	342
Birmingham .....	645	939	1,584	330
Sheffield .....	528	758	1,286	320
Bristol .....	468	565	1,033	319
Manchester .....	484	1,699	2,183	249

<sup>1</sup> *Licensing in the City of Birmingham. Birmingham Surrender Scheme.* By Arthur Chamberlain. Cornish Brothers, Ltd., 37, New Street, Birmingham. Price Sixpence.



The sub-committee of the Glasgow magistrates who visited Liverpool last year had, however, no difficulty in fastening upon what they regarded as the true explanation of the decrease in drunkenness. They say it "has been largely accounted for, if not entirely brought about, by:—

" 1.—The action of the Watch Committee, as represented by the police.

" 2.—The action of the licensing magistrates.

" 3.—The action of the general public, as represented by the Citizens' Vigilance Committee."

The report adds:—"The action of the Watch Committee may be summarised as follows:—

" (a) The very strict supervision of licensed premises by the police.

" (b) The rigid enforcement of the licensing laws.

" (c) The issuing of 'caution notices' to licensees whose premises are badly conducted, although no actual breach of the licensing laws can be proved.

“(d) The practice of objecting at the annual licensing sessions to the renewal of licences of all badly conducted premises.”

Detailed information of the methods which have been adopted for bringing the liquor trade in Liverpool under effective control and of the results that have been achieved is given in two pamphlets—(1) “The Licensing Problem and Magisterial Discretion,”<sup>1</sup> by Mr. Alfred T. Davies, a work invaluable to magistrates and others who contemplate reforms upon the Liverpool lines, and (2) a useful pamphlet entitled “Licensing Administration in Liverpool: Summary of Reforms (1889-1898).”<sup>2</sup> These publications enable us clearly to see the character of the reforms carried out by the Liverpool magistrates. The more important of these reforms will be shortly noticed, but the point which from the outset

<sup>1</sup> Fourth and enlarged edition. The Licensing Laws Information Bureau, 46, Bridlesmith Gate, Nottingham, 1903. Price 7d. (post free).

<sup>2</sup> The Licensing Laws Information Bureau. Price 2½d. (post free).



should be kept steadily in mind is that *the leverage by means of which the magistrates have worked has been the power of withholding licences*. This power, wherever necessary, has been resolutely exercised.<sup>1</sup> Licences have been refused both on the ground of the houses "not being required," and on the ground that they were badly conducted. Many houses which were unable to command an adequate trade, except by resorting to irregular practices, have voluntarily abandoned their licences. The policy of the magistrates in the years 1889-1902 is strikingly shown in the following table :—

<sup>1</sup> It is to be noticed that Liverpool is in a more fortunate position than some other places (notably Manchester), owing to the fact that the number of ante-1869 beer-houses, in respect to which the magistrates have no discretionary power, is small. The magisterial control is therefore less fettered.

"ON" LICENCES IN LIVERPOOL.  
ADDITIONS AND REDUCTIONS, 1889—1902.<sup>1</sup>

	Full Licences.	"On" Beer-House Licences.	Total.
Number of "on" licences, 1889 .....	1,859	234	2,093

ADDITIONS.

Number of "on" licences added at the extension of the city in 1895	140	42	182
Ditto ditto, 1902	21	17	38
Number of new "on" licences granted by magistrates between 1889 and 1902, both inclusive	2	6 <sup>2</sup>	8
			<u>2,321</u>

REDUCTIONS.

Number of existing "on" licences the renewal of which was refused by the magistrates and which were accordingly suppressed during the same period	139	18	157
Number of existing "on" licences not re-applied for	85	33	118
Number of "on" licences in 1902.....	1,798	248	—
			<u>2,046</u>

<sup>1</sup> As a result of the recent Annual Licensing Meeting (1903), the number of "on" licences has been further reduced by sixty (fifty-one full and nine beer-house) licences. No new liquor licences of any kind were granted.

<sup>2</sup> Of these six, four were really not new licences but merely a fresh grant to reconstructed or altered premises to which an existing beer-house licence (in three cases a *pre*-1869 one) was already attached.



The above figures (which are taken from the Magistrates' Records) show the *net* results after the appeals to Quarter Sessions.

It will be seen that in the period covered by the table only 8 new "on" licences have been granted while 157 have been suppressed, and in the case of 118 other "on" licences no application for their renewal was made.<sup>1</sup>

In addition to this policy of refusing the renewal of unnecessary licences and of closing badly-conducted houses, the licensing justices have in recent years committed themselves to a series of stringent administrative reforms, of which the following are the most important, and it seems clear that it is to these that we must chiefly look for the real explanation of

<sup>1</sup> "No compensation was, of course, paid to any of these [157] dispossessed licence-holders as a result of the justices' action. The brewers and licence-holders in some of the areas covered by the Liverpool justices' 'reduction-for-non-requirement' operations during the last three years may, of course, have arranged to 'pool' their losses by a private arrangement amongst themselves, but no details as to this have been published." The *total* number of licences (both "off" and "on") which have ceased to exist in Liverpool during the period under review is 422.

the remarkable reduction of drunkenness that has taken place:—

BACK DOOR AND SIDE ENTRANCES.—In its report of the recent Sessions the *Liverpool Daily Post* says that, “In an exceptionally large number of cases, licences were only renewed upon an undertaking being given to close objectionable back or side door entrances, or to effect structural alterations in accordance with the requirements of the Bench.” This is the carrying out of a policy which was actively commenced in 1890. By the year 1898 the justices had effected the total closing for trade purposes of 377 back doors.

MUSIC AND DANCING LICENCES.—As a result of the action of the Bench, the number of these licences granted to public-houses or beer-houses, which amounted to 348 in 1891, had been reduced to 35 in 1902.

SERVING OF CHILDREN.—In 1896, the justices passed a resolution which, as the Watch Committee promptly agreed to give



it effect, practically constituted a bar to the continued serving of children below thirteen years of age. The action of the Liverpool magistrates was warmly commended by the Home Secretary as "an example which was well worthy of being followed."

CONDUCT OF LICENSED HOUSES.—"Prominent among the steps taken by the licensing justices to effect improvement has been the putting down, with a firm hand, of the practice of allowing licensed premises to be the habitual resort of women of the town."

In 1889 the number of drunken prostitutes arrested was 2,009; in 1901 the number was only 634.<sup>1</sup>

REMOVAL OR SURRENDER OF LICENCES.—"The action of the Vigilance Committee in offering a determined resistance, on every occasion, to this worst form of the 'traffic in licences' [*i.e.*, the policy of exacting the surrender of one or more old licences

<sup>1</sup> *The Licensing Problem and Magisterial Discretion*, p. 49.

for every new one that is granted<sup>1]</sup> has practically led to the extinction of the practice in Liverpool. The suburbs are no longer, as in times past, made the 'dumping ground' for the old and moribund licences of over-supplied districts in the centre of the city, and the views of the inhabitants of new and growing districts are now inquired into by the Bench, instead of being flouted and disregarded as they too frequently were by the licensing justices of an earlier, but yet not remote, period."

SUPERVISION OF LICENSED HOUSES.—The methods employed for the supervision of licensed houses have been thus described:—In Liverpool, "for several years prior to 1890, supervision was entrusted to a special public-house staff told off for the purpose. The Chief Constable found that it did not work satisfactorily, and, being aided by a public agitation, changed it for a new system, of which the following were the

<sup>1</sup> The arguments against this policy are given in the Appendix, p. 242.



chief features: Each superintendent was held responsible for the good conduct of the houses in his own division. Every month he detailed one sergeant and one constable in plain clothes to visit all the licensed houses in his division, report fully on them, and lay informations if necessary. These special officers were changed every month. At the same time, the sergeant on each section was held responsible for the houses in his own area, and informed that if any were shown to be irregularly conducted and had not been previously reported, the fact would be taken as evidence of his unfitness for the position. The divisional inspectors were also instructed to visit all licensed houses in their divisions, and were held responsible to the superintendent for seeing that the inspection of the sergeants was real and not merely superficial. When a house was reported to the chief constable, it became the duty of the superintendent, after notice had been served on the licensee and the

owner, to take measures to have the premises regularly watched by special officers."<sup>1</sup>

The series of reforms outlined in the above extracts could not have been carried out without the support of a powerful and intelligent public opinion. In reading of what has been done, some may say: "The case of Liverpool shows that what is wanted is not new legislation, but the vigorous carrying out of existing law. Nothing so sweeping as the recommendations of Lord Peel's Report can be necessary." Nevertheless, admirable and worthy of imitation as are the reforms which have been accomplished in Liverpool, perhaps none know better than those who have been instrumental in bringing them about how limited is their utmost possible effect, and how far short it falls of a full solution of the problem which Temperance reformers have to solve. Quiet streets and orderly public-houses, an absence of the grosser forms

<sup>1</sup> *Drink, Temperance and Legislation*, by Arthur Shadwell, M.A., M.D., Oxon., pp. 186-187.



of intemperance, together with a diminution in serious crime,<sup>1</sup> are the tangible results that have been accomplished.

No doubt the refusal to give drink to those verging on intoxication has been a main cause of the diminished public drunkenness in Liverpool, but the quantity of drink so held back must have been insignificant in its relation to the total consumption of the city.<sup>2</sup>

Dr. E. W. Hope, Medical Officer of Health for Liverpool, in giving evidence in March, 1901, before the Royal Commission on Arsenical Poisoning, stated that "he believed that something like 750,000 gallons of beer were consumed in Liverpool per week. The population was about 680,000, so that the consumption was over *one gallon per week*

<sup>1</sup> This statement is made on the authority of a letter communicated by Mr. W. J. Stewart, Stipendiary Magistrate for Liverpool, to the *Liverpool Daily Post* of January 31st, 1903.

<sup>2</sup> The number of persons proceeded against for drunkenness in Liverpool in 1889 (16,042) was only 3 per cent. of the total population, so that the quantity of liquor which in recent years has been held back from this 3 per cent., and from others verging on intoxication, must have been an all but negligible quantity compared with the total consumption of the city.

*per head.*"<sup>1</sup> It may be useful to add that the average *per capita* consumption of beer for England and Wales in the same year was thirty-five gallons. In a subsequent communication to ourselves (under date December 22nd, 1902), Dr. Hope wrote:—"My computation was based upon the figures given by brewers and publicans as to the quantities delivered at the various houses per day. The matter, as you know, formed the subject of inquiry in a Court of Law, and was very carefully and fully gone into. I feel quite confident that the figures arrived at are approximately correct. No one had any alternative suggestion to offer, and no one criticised the accuracy of the statement."

It seems clear, therefore, that, notwithstanding all that has been done in Liverpool, the habits and ideals of the mass of the people in the matter of the consumption

<sup>1</sup> A consumption of 750,000 gallons per week would represent 39,000,000 gallons per year. The census population of Liverpool in 1901 was 686,332, so that the consumption of beer per head of the population for the year would amount to more than 56 gallons.



of alcohol remain practically unchanged. The poverty inseparable from a high drink expenditure, and the resultant physical deterioration, continue. There has apparently been little or no progress in this vitally important direction. Every thoughtful citizen is agreed that a grave national peril will exist so long as the working-class families of the United Kingdom spend, upon an average, six shillings per week, or one-sixth of the family income, upon alcohol. Yet the figures given above point to a drink expenditure even greater than this as still continuing in Liverpool.

Taking Liverpool as the place which marks the high-water mark of what has been accomplished under private licence, we may now compare the possibilities of private licence, as there administered, with the possibilities of the Company System.

In towns where the Company System has been carried out with thoroughness, a reduction in the consumption of spirits has

followed to which we have no parallel in this country. The figures for Gothenburg have already been given. In Bergen, the *per capita* bar sale<sup>1</sup> of spirits declined from 2.45 litres in 1877 (the first year of the Company) to .87 in 1901. To ascertain, however, the actual reduction brought about by the Company, the comparison should be made not with the sales in the first year of the new system, but with the sales in the last year of the old. If we take as a basis of comparison the advance-estimate of probable consumption in 1877, an estimate made by the Excise Authorities and based upon the figures for 1876, there must have been a total reduction of consumption of no less than *forty-three per cent.* as the result of the Society's operations *in the first year of its existence.*

<sup>1</sup> Bergen is the distributing centre for a wide Prohibition area, and it is extremely difficult in the case of the "off" sale to divide it rightly between residents and non-residents. The figures of bar sale are unquestioned, and whatever be the estimate formed of the proportion of the "off" sale which would represent consumption in the city, the fact of an enormous *per capita* reduction since 1877 upon the "on" and "off" sales taken together cannot be doubted.



Again, under the Company System, both the restrictive and the constructive agencies that tend to reduce consumption can be brought to bear with a power impossible under private licence.

In Liverpool, if the community wished to shorten the hours of sale, they could not do so without a change in the statutory law which it might take years of laborious agitation to bring about. In the towns of Sweden and Norway such changes, if deemed wise, would probably be decided upon after one or two sittings of the Bolag Board. In Liverpool, if the community desired to reduce the number of licences even by one-half, the task would be obviously impossible. In Gothenburg, where the Company controls the whole of the retail spirit licences, they have found no difficulty in carrying out the remarkable reductions that we have described.

Between the controlling system and private licence there is the deep underlying difference

that in the one case the object is to control and restrict, whereas in the other the object is to stimulate and extend sales. To quote Sir Wilfrid Lawson: "If you license a man to a trade, of course it is only in human nature that he will do as much trade as he can, and you would set yourselves an impossible task if you were to say 'thus far you shall go, but no further.' It is only natural that the Licensed Victuallers will do what they can to make money and push trade."<sup>1</sup>

At the time when the Company System was introduced into Sweden, the thought of counter-attractions to the public-house had not taken hold of the public mind, and the profits of the Bolags have not been used for these purposes, except to a small extent, by any of the Companies in Sweden.<sup>2</sup> Gothenburg, as will be shown, has now become alive to the need of these agencies, and in all countries the conviction is rapidly acquiring

<sup>1</sup> Speech in the House, June 18th, 1880.

<sup>2</sup> In Norway, and especially in Bergen, progress has been made in the establishment of counteracting agencies.



strength that in the struggle with intemperance, constructive as well as restrictive influences must be called into play, and that without both of these, temperance effort is not likely to achieve any great success.

In some of the large towns of Russia the provision of counter-attractions has recently been carried out upon a scale and with a thoroughness hitherto unexampled. The story of what has been accomplished is told by Miss Edith Sellers in an article of great interest which appeared in *The Contemporary Review* for December, 1902, and from which, by permission, we extract the following. Referring to the introduction of the Russian Spirit Monopoly in Moscow, she tells us that on June 1st, 1901, the only public-houses to which large bodies of the working men could resort were practically drink shops, and these were doomed, as July 1st was the date fixed for the Monopoly to come into force in Moscow. Miss Sellers writes:—"The Moscow

committee began its work in June, 1901, and within a year it had already opened twelve huge Narodny Doms, or People's Houses. It hopes to open eight more before many months have passed. A Narodny Dom, as the term is understood in Moscow, is a working-men's restaurant, club, library, and much besides, all combined in one. The restaurants are fine, large rooms, well lighted, well ventilated, and beautifully clean; and in most of them at the entrance there are marble basins in which all who choose may wash their hands—they are supplied with soap, water and towels gratis. They are open from early morning until late at night, for the workers resort there for their breakfast, which consists as a rule of a cauldron of weak tea and a hunch of bread; they resort there also for their supper—tea and a snack of fish, or anything else they can afford. During the dinner hour the restaurants are always crowded, and with a motley company, strictly teetotal institutions though they be." The restaurants,



however, are but the nucleus of the work, which extends itself in all directions. "In one of the Narodny Doms there is a labour bureau, where what can be done is done that men may not stand idle in the market place because no man hireth them, while work is waiting to be done. In the other eleven there are reading-rooms where all comers may pass their whole day if they choose. These are charming resorts, prettily painted and decorated, with quite the air of a gentleman's study; for Madame Sabaschnikoff, the member of the Council under whose special care they are, is keenly alive to the civilising influence clean, well-ordered surroundings may have on even the dullest of Mujiks. The reading-rooms are well supplied with newspapers and have lending libraries attached; for the committee is just as bent on providing its clients with food for their minds as for their bodies, holding that one of its most important duties is to educate. The energy with which it throws itself into educational work of all

kinds indeed, is perhaps its most distinctive feature. It arranges lectures not only on temperance but on all subjects of general interest; it arranges lime-light demonstrations too, debates and concerts." Then it uses the drama, and very skilfully, as an educational force.

Equally suggestive is the information respecting the work of the Temperance Committee in St. Petersburg,<sup>1</sup> which began its work three and a half years before the Moscow Committee was formed. The Temperance Committee there hold that "It is not the love of Vodka, as a rule, that leads a man to drink, but the dull, leaden monotony of his life. He drinks, especially on Sundays and holidays when he has no work, because he feels that he must have a change of some sort, and the only change he can procure for himself is to get drunk. The special work to which they have from the first devoted themselves, therefore, is that of

<sup>1</sup> Population in 1900—1,439,375.



bringing some sort of recreation within the reach of even the most poverty-stricken, providing them with cheap food, of course, the while. . . . For English people special interest is attached to the Dom Nicholas II., for it is exactly what our People's Palace was intended to be, and is not. It is a pleasure resort for the poor; a place where they may betake themselves whenever on enjoyment bent. The Dom itself—it is the old Nijni-Novgorod exhibition building renovated—is a huge place, painted blue, white and gold. It stands close to the Neva, in the midst of a beautiful park, with great trees all around it, and flower-beds, aglow with bright flowers in summer, dotted about here and there. Among the trees there are prettily-arranged little grottoes for those who wish to avoid the throng. The building is divided into five parts—a great entrance hall, which serves as a general promenade, a restaurant, a concert-hall, a theatre, and a reading-room. The charge for admission is 2½d., and the only

extra charge ever made is for a seat in the theatre." The St. Petersburg Committee "has opened twelve reading-rooms, as well as two libraries, and it intends before long to open many more; and during the winter months it organises classes and arranges for lectures to be given."

The profits of the retail sale of spirits are in Russia taken by the State. The localities are, therefore, dependent upon the State for the grants necessary to carry on the work. Moscow, with its population of 1,000,000,<sup>1</sup> receives through its committee an annual allowance of 300,000 roubles (£31,250). The St. Petersburg committee received for the erection and organisation of the Dom Nicholas II. alone more than a million roubles, and has besides an annual allowance of nearly 300,000 roubles. Warsaw has an annual allowance of 100,000 roubles.

The experiments in St. Petersburg and Moscow, of which the foregoing extracts

<sup>1</sup> In 1900, 1,035,664.



give so vivid a picture, are of extreme interest and value. They tell of what has been actually accomplished. Perhaps for the first time in modern history we have here an attempt to meet the social needs of great town populations upon something approaching an adequate scale. A vista is opened out of the almost incalculable advance in national tastes and habits that might be effected were a community, when furnished with the necessary funds, to awake to a full understanding both of the urgency of these social needs and of the ways by which they might be adequately met.

In the United States the need for counter-attractions has been so fully recognised that, at the request of the "Committee of Fifty" (a body including some of the foremost social writers and thinkers in the States), Mr. Raymond Calkins published in 1901 a volume of 400 pages devoted to this aspect of the question. It is entitled

*Substitutes for the Saloon*,<sup>1</sup> and treats of the progress made by lunch rooms and coffee houses, social clubs and athletic associations, settlements, reading-rooms, gymnasia, etc.

The Committee appointed by the Town Council of Gothenburg, in 1899, to find out the real cause of the increase in drunkenness, and to propose means for bringing about a reduced consumption of alcoholic drinks, submitted the questions before them to various classes in the community, and among others to the Trades Unions. It is a suggestive fact that the great majority of these Unions advocated, along with other recommendations, "The institution of different forms of recreation calculated to benefit the public, and in particular the working classes."

In this connexion it was suggested that the city should provide the following:—

Cafés and restaurants where non-alcoholic drinks only would be supplied.

<sup>1</sup> Houghton, Mifflin & Company, Boston and New York.



Concert rooms and other means of supplying musical entertainment to the working classes at times when they are at liberty.

Libraries and reading rooms.

Open places for games and sports.

Large halls for meetings and fêtes.

Grounds for ninepins and croquet, dancing  
rinks, etc.

Zoological gardens.

Public parks.

Theatres.

Gymnasia with capable instructors.

Large and cheap public baths and compulsory baths for board school children.

The Committee of the Town Council, in their Report, accepted and laid emphasis upon these suggestions and urged the need of recreative counter-attractions to the public-house.

Constructive agencies have hitherto largely failed because they have not been carried out upon a sufficient scale. We have estimated<sup>1</sup>

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

that an annual sum of not less than £1,000 for every 10,000 of the population would be required for the establishment and efficient maintenance of counter-attractions to the public-house. Upon this scale, Liverpool would require £68,500 annually. A penny municipal rate in Liverpool, prior to its enlargement in 1902 by the inclusion of the district and port of Garston, yielded £13,580; so that if £68,500 had been granted from the municipal treasury, the sum would have been more than the yield of a fivepenny rate.

That rate aid upon this scale is impossible is perfectly clear, and it is not less clear if we consider the figures for other towns. The following table shows the annual sum which would be required for the maintenance of counter-attractions to the public-house upon the scale indicated above, and which represents probably the minimum expenditure upon which they could be effectively maintained. Fuller details are given elsewhere :—<sup>1</sup>

<sup>1</sup> See Appendix, pp. 271-273.



	Annual sum required for counter- attractions on basis of £1,000 per 10,000 of population.		Equal to a Municipal Rate of
	£		d.
Birmingham .....	52,218	.....	4½
Leeds .....	42,895	.....	5¾
Bristol.....	32,884	.....	5½
Hull.....	24,062	.....	6
Newcastle .....	21,480	.....	4½
West Ham.....	26,731	.....	6
Bethnal Green .....	12,968	.....	6
Lambeth .....	30,189	.....	3¾
Glasgow .....	76,042	.....	4
Edinburgh .....	31,648	.....	3
Dublin .....	28,910	.....	8
Cork .....	7,598	.....	10½

It needs only a glance at the above figures to see that it would be idle to look to the rates for the necessary funds; nor, in the present state of the national finances, could they be obtained by national taxation; while they are quite beyond the resources of private philanthropy. Unless, therefore, we are altogether mistaken in our estimate of the sums that would be required for the efficient conduct of these counter-attractions

(and so far as we know the estimate has not been questioned), the conclusion is inevitable that, *either the establishment of counter-attractions to the public-house upon an adequate scale must be abandoned, or else they must be paid for out of the profits of the retail trade.* These profits we have shown elsewhere<sup>1</sup> to be nearly £20,000,000 per annum. To provide counteracting agencies upon the scale named above for the whole of the United Kingdom would cost £4,000,000 per annum; so that even if these powerful agencies resulted, as no doubt they would, in a great reduction of the national drink bill, there would still be ample funds to defray their cost, and in addition a large balance to hand over to the national exchequer.

To sum up, the further the comparison between a town under a well-considered scheme of Company control and a town under private licence is followed, the more clearly is it seen that the fundamental

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



difference which separates them consists in this: that in the former case the community is free to work out its salvation from the drink curse according to local requirements and with a prompt adaptation of means to ends, while in a city under private licence the community works in fetters. At every point its action is checked by the real or assumed rights of the licence-holders. The interest of a community to lessen the consumption of alcohol, and the interest of a licence-holder to sell as much as possible, are in direct antagonism, and so long as a city hands over the sale of drink to private individuals stimulated by the motive of private gain, so long will its efforts to reach a higher level of sobriety be seriously neutralised.

## CHAPTER XI.

### Conclusion.

AT the close of the chapter upon the Scandinavian experiments in *The Temperance Problem and Social Reform*, the advantages of the Company System were summed up under eleven heads. An examination of the system in the light of the experience of the past four years strongly confirms the soundness of the positions thus summarised. The eleven advantages which were claimed are repeated below. The majority of them have not been questioned; in the case of the others a few words will indicate the challenge which recent criticism of a hostile character has offered, criticism which, as will be seen, leaves the original propositions undisturbed.

“(1.) *Alone of all the systems that have been adopted; it secures a divorce between politics and the drink traffic. Drink-selling once divorced from*



*politics can no longer serve as an instrument of corruption, and one of the greatest obstacles to social reforms is thus overcome."*

An attempt was made to answer this proposition by the assertion that in Sweden there had been no alliance between the Trade and politics, and therefore could be no divorce. This statement, as we have shown, was based upon ignorance of the remarkable struggle between the distillers, led by Lars O. Smith, and the supporters of the Bolag System. The position holds that in Scandinavia the *distiller* is without exceptional political influence, because the sale of *spirits* is under Company control. The *brewer*, on the other hand, has a powerful and mischievous influence, because the sale of *beer* is uncontrolled. In this country, as we have shown, the menace of the Trade is growing, and efforts are being made to organise the shareholders in brewery companies with a view to their more effective opposition to legislation calculated to lessen the sale of drink.

*"(2.) When no political party is fettered by Trade support, and the vested interests now associated with it are destroyed, a large body of Temperance sentiment is set free, and the way made easy for progressive Temperance reforms."*

*"(3.) A trade universally recognised as dangerous is taken out of the hands of the private dealer, who naturally seeks to extend it, and is brought under effective restriction and control."*

In opposition to this it was contended that, however effective the restriction and control had been in the early days of the system, it had since "gradually slowed down until the last decade, when there has been a return towards the former state of degradation."

By a detailed examination of the recent policy and administration of the Swedish Companies, against whom, in particular, the charges were made, this statement has been shown to be altogether incorrect, and collateral evidence of the truth of our proposition has been afforded in the estimation in which the



Company System is held by the Temperance organisations of Sweden. We pointed out that as recently as last year (1902), the organised Temperance workers of Sweden, in a representative Conference at Stockholm, declared themselves, by a unanimous vote, in favour of placing malt liquors under the same control as spirits.

Four years earlier a petition to the same effect had been addressed to the Governor of the Province by the Bishop and the Dean of Gothenburg and by thirty clergy of the district, asking that the beer-houses of the town "should come under the control of the Gothenburg Public-House Licensing Company, conducted according to the Gothenburg System."

*"(4.) This restriction, being locally applied under local representative authority, keeps pace with the Temperance sentiment of the locality. 'The end sought is the reformation of popular habits, and it is reached by a series of evolutionary stages, each of which finds its sanction in advancing public sentiment.'"*

*"(5.) If, as seems clear, prohibition is at present impossible in large towns, the Controlling System provides what is incomparably the least harmful safety-valve. In Scandinavian towns there is no club difficulty, and no driving of the traffic below the surface."*

*"(6.) The number of licensed houses can be reduced to the lowest limits which public opinion will support, while the difficulty that exists under private ownership in singling out any particular house to be closed is avoided."*

*"(7.) Sales on credit and all the adventitious attractions of the public-house are done away with."*

*"(8.) Gambling and all the immoral accessories of the public-house are abolished."*

*"(9.) Bye-laws for the regulation of the Trade can be readily enforced and quickly adapted to the special needs of the locality."*

Mr. Walker attempts to meet this position by the assertion that "when the benefits of the profits have once been felt, the temptation to extend the business as much as possible



is such that neither the original principles nor the original reforms are adhered to, and no movement is made to initiate new reforms." The answer already given to the criticism upon proposition 3 covers this objection. As a matter of fact, we have shown that Mr. Walker's contention is not only incorrect, but that the very opposite of it is true. Few things are more remarkable in the history of the temperance movement than the ease with which, in Norway, progressive legislation of an advanced character has been carried out; while in Gothenburg the history of the Bolag is, as we have shown, a history of restriction steadily and progressively enforced. The seventh chapter of the present volume gives ample evidence that the movement as a whole is unmistakably progressive.

*"(10.) The Controlling System secures for the community the vast monopoly profits which now go to those interested in the Trade, and makes it possible to use them for the establishment of adequate counteracting agencies."*

Perhaps the nearest approach to a reply to the above position is contained in the following passage in Mr. Walker's book:—

“It is generally assumed that if the Gothenburg System were introduced, not only should we still have all the previous profits from the drink traffic, but a new source of revenue would be secured for the State or the municipality. In considering whether this would result, we must at once contradict a delusion fostered, perhaps unwittingly, by the supporters of the Gothenburg System. The Scandinavian ‘Bolag’ is not an additional source of revenue, but simply a different and less effective method of doing the work at present efficiently performed by our excise. We go to the fountain-head; we levy a duty of eleven shillings per gallon on spirits before they leave the distillery; and we obtain a heavy licence-duty from every drink shop. From direct taxation, such as this, the Swede only obtains about two shillings per gallon, and he attempts to make up the difference by taking the retail traffic into his own hands and pocketing the total profit derived from it.”

The above passage gives expression to an extraordinary misconception. It is assumed by Mr. Walker that if the Company System were introduced into this country we should



get the retail profits of the trade *instead of* excise duties and licence duties; whereas, of course, these latter *would continue to be levied*, and we should get the retail profits *in addition*.

In *The Temperance Problem and Social Reform* it is shown that the net profits of the public-house trade of the United Kingdom probably amount to nearly £20,000,000 per annum, and no attempt has been made in any quarter to contest these figures, which indeed are probably under-estimated. Under the Company System, when the trade of a locality is concentrated in a limited number of houses, and conducted without any cost of advertising or display, the rate of profit is likely to be considerably higher than when carried on as a private competitive trade.

“(11.) *The system enlists the active co-operation of good citizens, and is responsive to an enlightened public opinion.*”

A renewed examination of the Scandinavian experiments confirms the view which the present writers have previously expressed, namely, that they point to two practical conclusions of far-reaching import to this country. The first is, that the fundamental principle upon which any fabric of effective licensing reform must be built is the elimination of private profit from the retail liquor trade. The interest of the private seller is to stimulate sales, while the interest of the State is to restrict them ; these conflicting aims are incapable of reconciliation. The second conclusion is, that the trade, when taken out of private hands, should be worked locally, but under strict statutory control ; especially that the appropriation of the profits should be determined by law, and be such that localities could have no inducement either to stimulate or continue the traffic for the sake of the profit which it yields.



The preceding pages have shown that when the trade is taken out of private hands and placed under Company control, both the restrictive and constructive agencies working for temperance act with an enormously added power. These agencies, as we have pointed out, often appeal to different orders of mind. Broadly, the restrictive agencies appeal most strongly to those who are occupied with direct temperance work; while the constructive agencies hold the first place with those who are concerned with the wider aspects of society as a whole, the general conditions of city life, the wretchedness of the highly-rented room, and the dreariness of existence to multitudes of workers.

The representatives of the two schools have not as yet entered into an effective alliance. Yet such an alliance is an essential condition of success. Happily, signs are not wanting that a working union may be near at hand. Should this be

realised, and unity mark the counsels of temperance reformers in the period upon which they are entering, they will at last see the portents of victory and begin to gather the rewards of long years of toil.



CHAPTER I

THE first part of the work is devoted to a general survey of the subject, and to a discussion of the various theories which have been advanced to explain the origin of the human mind. The author then proceeds to a detailed examination of the various faculties of the human mind, and to a discussion of the various theories which have been advanced to explain the origin of the human mind.

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## APPENDICES.

### Compensation.

THE passages in Mr. Walker's book dealing with compensation are apt to convey a mistaken impression of what actually took place in Sweden and Norway with regard to it. Thus on page 7, referring to the Swedish Law of 1855, Mr. Walker says:—

“The already existing licences were not interfered with, as the legislature considered that it would be unjust to tamper with such legally-acquired rights. In the country where previously no licences were required, and consequently no interests existed to compensate, a power to veto all retail sale was conferred.”

And on pages 9 and 10 Mr. Walker states:—

“In 1871 a law was passed [in Norway] legalising the grant of licences to companies similar to those in Sweden, called ‘Samlags.’ By 1877 these had spread to all the principal



towns; and this tendency was facilitated by a law passed in 1880, whereby 'Samlags' were empowered to acquire all licences by equitable compensation. In many cases licensees were fairly compensated, receiving an annuity equal to their average yearly profits for the preceding three years."

Now, in both Sweden and Norway, two classes of licences existed. The great majority were those granted only for a short term of years,—in Norway for five years and in Sweden for three years. But in addition to these there were "privileged" licences which had been granted either in perpetuity or upon the continuance of one or more lives. The essential fact to remember in relation to compensation in both Sweden and Norway is that *the compensation was confined to the "privileged" licences, and was in no case given to the holders of ordinary licences.* These facts are not disputed, but two authorities may be given. Dr. Wieselgren, in a recent letter to the present writers, says emphatically:—"In Sweden no compensation was given except to the holders of privileged

licences"; and, referring to Norway, Mr. Thomas M. Wilson says:—<sup>1</sup>“The publicans were ousted from the licences without a farthing of compensation for the refusal to renew their licences.” In neither country, however, was there any disposition to deal harshly with the old licence holders. In Bergen they received a notice of practically five and a half years,<sup>2</sup> while the Controlling Companies purchased the unsold stocks of spirits, subject to approval of the quality.

Referring to the action of the Russian Government in regard to compensation when establishing the Spirit Monopoly, Mr. Walker says:—

“It is suggestive of the methods of the Russian Government that the liquor dealers in Russia, although they carried on a recognised trade and were not under annual licence, as in the case of our licensees, got no compensation. In Poland, however, where there is still the

<sup>1</sup> *Local Option in Norway*, p. 17.

<sup>2</sup> “The passing of the Act of 3rd May, 1871, admitting a society to compete for licences and to hold more than one, sounded the death-knell of the publicans in Bergen, and they soon began to set their houses in order in view of their demise as spirit dealers; but, as the demise was not to take place till 1st January, 1877, they had five and a half years' grace given them to prepare for the event.”—*Local Option in Norway*, p. 54.



relics of a former civilisation, and where there were very old licensed rights, the holders of these received fair compensation, *i.e.*, twenty years' purchase on the average annual profits."

Now, although the liquor dealers in Russia were not under annual licence, we have it from an authority quoted in a Foreign Office Report<sup>1</sup> that the licence they were granted had "always been considered by the legislature, the administration, the public, *and by themselves* as a permission liable to be withdrawn without explanation or comment." In parts of Russia, however, as in Scandinavia, there were, in addition to the ordinary licences, *privileged* rights. These existed in Poland, the Baltic provinces, and some of the Western provinces. The holders of these rights received compensation.

### The Policy of Exacting the Surrender of Old Licences for New Ones.

This policy has been carefully discussed by Mr. Alexander Guthrie.<sup>2</sup> The following are

<sup>1</sup> *Miscellaneous Series*, No. 465, 1898.

<sup>2</sup> *New Licences for Old*. The Licensing Laws Information Bureau, 46, Bridlesmith Gate, Nottingham. Price 1d.

among other important considerations which he brings forward in opposition to it:—

These superfluous licences ought not to be in existence at all; that is to say, had the letter of the law, to say nothing of its spirit, been put into operation in respect to them, they would long ago have disappeared. Yet it is these licences, whose existence is only perpetuated because of the unwillingness or assumed inability of the magistrates to bring them to an end, which are offered by the Trade as consideration for new and valuable concessions!

Any encouragement given by licensing justices to proposals of the kind now under consideration must inevitably tend to prolong artificially the existence of many of these superfluous licences, which otherwise would die a natural death. For example, in Liverpool, since 1891, as many as 117 old licences have ceased to exist, *no application having been made*



*for their renewal.* Either the houses were not paying their way, or, objection having been offered to their renewal, they were not considered worth fighting for. Is it to be supposed that this process of natural reduction will continue if such licences are to have a new value conferred upon them?

Again, in Birmingham, during the last two years, at the expressed wish of the Bench, the Brewers have relinquished fifty-five old licences and indicated their intention of giving up a further number—and this without suggestion of payment or consideration of any kind.

It has been hoped that this example would be followed in other boroughs; but could any greater check to such a movement be conceived than that licensing justices should give countenance to the idea that a class of licences which “the Trade” has begun voluntarily to relinquish may yet prove worth keeping as a means of procuring new and valuable concessions?

The acceptance by a licensing bench from an applicant for a licence of anything in the nature of a bribe (it in no way affects the case that such acceptance may be conscientiously, however erroneously, believed to be in the public interest) must be both wrong in principle and dangerous in practice. For a licence thus obtained it will hereafter be claimed that *payment has been made*; and, if so, what becomes of the "absolute, unfettered discretion" of the Bench?

A *privileged licence* will have been created, different from all others around it in that for it alone was consideration given, a situation never of course contemplated by the law, and surely involving new and most undesirable issues.

Substantially the same position is taken by the Central Public-House Trust Association. In their Second Annual Report, just issued, it is pointed out that the custom of exacting



the surrender of one or more old licences for every new one that is granted leads to a "strengthening of the claim put forward by the 'Trade' for compensation, and if persevered in, will make that claim not only equitable, but legally unassailable. To exact a surrender in exchange for a new licence is nothing else than to exact a payment in kind, and often a very heavy one, because the surrender policy, where it exists, enormously increases the value of the small and superfluous houses, there being so keen a competition among brewers to buy them, as possessing in their licences useful *quid pro quos* to offer to the bench when applying for some coveted new licence.<sup>1</sup> Where

<sup>1</sup> It may be of interest in this connexion to mention that in a circular recently addressed by the Scarborough justices to the owners and occupiers of licensed premises in that town, the justices intimate that "they desire, before themselves objecting to the renewal of licences, to give to persons interested in licensed premises in the two wards ample opportunity of meeting together and formulating schemes for the reduction of the number of licences. Any such scheme, if submitted within a reasonable time, will receive careful attention, so long as it is confined to the districts in which it is proposed that reduction shall take place.

"No scheme which includes any proposal for the grant of new licences in other parts of the town will be entertained. Applications for new licences are always dealt with by the Licensing Committee at Brewster Sessions on their merits and with reference to the requirements only of the district proposed to be served by the licence."

magistrates have thus sold a licence for value in kind, the position of the new licensee in respect of future questions of withdrawal of licence and compensation is greatly strengthened; for, even in a case of suspension of licence on grounds of misconduct, any fair-minded bench would hesitate to enforce the penalty after having exacted a valuable equivalent when the licence was granted in the first instance."

### Foreign Moneys and Measures.

FOREIGN MONEYS.	ENGLISH EQUIVALENTS.
1 Krone (Norwegian) } 1 Krona (Swedish) }	= 100 öre = 1s. 1½d.
18 Kroner                    ...	... = One Sovereign.
	90 öre = One Shilling.
1 Rouble (Russian)	= 100 copecks = 2s. 1½d.

FOREIGN MEASURES.	ENGLISH EQUIVALENTS.
1 Hectolitre = 100 Litres	= 22 Imperial Gallons.
1 Litre = 1,000 c.c.	= 0·22 Imperial Gallon.
1 Cubic Centimetre (1 c.c.)	= 0·035 Fluid Ounce.
28·4 c.c.	= One Fluid Ounce.



### Method of Granting Licences in Sweden and Norway.

Mr. Walker says (p. 10) :—"The licences in both countries are granted by the magistrates acting with the advice of the Town Council and the Government." This sentence fails to bring out certain important differences between the licensing laws of Sweden and Norway. In Sweden, while the magistrates suggest what in the case of any town they consider the right number of licences to allot, *the Town Council has the power, which cannot be challenged or overruled, of reducing the number suggested by the magistrates to any extent.* The regulations bearing upon the point are contained in clauses (b) and (c), section 8, of the law of May 24, 1895. They provide that the magistracy shall send an opinion to the governor, stating whether the privilege to sell brandy at 'off' sale or over the bar ought to be granted to any persons, and, if so, the number of places to be licensed, as

well as the district in which each place shall be located, if a special provision regarding the latter point be deemed necessary. "The governor shall then form his resolution regarding the matter and make it known to the magistracy; *but it shall not be resolved that such licence be granted contrary to the opinion of the town council, or [where there is no town council, of] the town meeting*, nor shall their number be fixed in such a manner as to exceed that determined upon by the magistracy and town council or town meeting."

It will thus be seen that while the magistracy take the initiative in regard to licensing in the towns, suggesting the number of licences that ought to be granted, the town council or town meeting, while they cannot add to the number of licences determined upon by the magistracy, may reduce the number at their discretion.

In Norway the power of the town council is more absolute,<sup>1</sup> as it is able to add to

<sup>1</sup> See Section 5 of the Norwegian Law, of July 24, 1894, which provides that "The communal organisation shall determine the number of places at which spirits shall be sold and retailed."



the number of licences suggested to it. The following information, supplied to us by Mr. Jorgen Irgens, of Bergen, will make the relative powers of the magistrates, of the aldermen and of the town councillors, in relation to licensing, better understood. The method of procedure in the granting of licences is the same in all the towns of Norway :—

- (1) The Town Council of Bergen consists of seventy-six members elected by the citizens.<sup>1</sup> The council from its own number elects nineteen (one-fourth), who constitute what is called the “Formandskab,” a body to some extent comparable with our aldermen. The remaining fifty-seven members of the council, comparable with our town councillors, are called the “representatives.”

<sup>1</sup> In Norway, the size of a town council is in proportion to the number of its ratepayers, but with a maximum of eighty-four. Thus, in Christiania, which has a population of more than 225,000, the town council numbers only eighty-four. The population of Bergen (1902) is about 75,000.

- (2) The magistrates (three in number), men of legal training, appointed to the post by the Government, and for life, unite with the nineteen aldermen (Formandskab) in making propositions respecting the licences to submit to the councillors (representatives).
- (3) The nineteen aldermen and the fifty-seven councillors, as in the case of our own town councils, sit and vote together on all propositions, including, of course, the number of licences.
- (4) The magistrates sit, along with the aldermen and the councillors, when the question of licences is under consideration, and may take part in the discussion, but they may not vote. At the earlier stage, however, when they unite with the nineteen aldermen in preparing the suggestions to submit to the councillors, they may vote.
- (5) Women are eligible for election to the town council, and now (1903) six of



its members are women. They are eligible to be appointed as members of the Formandskab, but at present all of them are councillors.<sup>1</sup>

It should be added that the decision of the municipal council is theoretically subject to the veto of the State Governor, but in reference to this, Mr. Irgens informs us that if the decision of the municipality does not receive the support of two-thirds of the members present, the vote must be taken again at the next meeting of the council, and if then the decision does not receive the support of two-thirds of the members present, the minority may appeal to the State Governor, who may refuse to accept the decision. Mr. Irgens adds:—"Whether the minority of the municipality ever has availed itself of such a right of appeal to

<sup>1</sup> In Norway married women whose husbands are taxed, and all single women who have an annual income of 400 kr. (£22 4s. 5d.) and pay a tax upon the same, have a communal vote. Women vote also upon the question of the continuance or otherwise of a Samlag, but have no vote for the election of Members of Parliament.

the Governor I do not know, but I do not believe that it has done so."

It will be seen from the above that the licensing power of the magistrates in Norway is one of an advisory character only, the real authority resting with the town council. In Sweden, also, the power of the magistrates is mainly advisory, but in Sweden the number of licences which the magistrates, in conjunction with the Governor, propose, may in no case be exceeded by the municipality.



## England and Wales.

Yearly Average Number of Persons proceeded against for Drunkenness (including Drunk and Disorderly) in the Quinquennial Period 1897-1901 (the number including both Apprehensions and Summonses).

Place.	Average Population.	Average Number of Persons Proceeded Against for Drunkenness.	Ratio per 1,000 of the Population.
London <sup>1</sup> .....	6,549,845	51,559	7.9
Liverpool .....	673,867	4,404	6.5
Manchester.....	538,119	6,237	11.6
Birmingham .....	514,572	3,659	7.1
Leeds .....	416,674	1,757	4.2
Sheffield .....	369,301	1,492	4.0
Bristol .....	322,968	1,210	3.7 (Average of 4 years 1897-1900)
Bradford .....	246,839	512	2.1
Nottingham .....	237,195	1,346	5.7
Hull .....	233,717	1,718	7.3
Newcastle .....	223,713	4,530	20.3
Salford.....	216,517	2,712	12.5
Leicester.....	204,189	419	2.1
Portsmouth .....	190,832	664	3.5
Cardiff.....	157,410	1,180	7.5
Bolton .....	144,520	566	3.9
Sunderland.....	144,410	1,195	8.3
Blackburn .....	126,447	715	5.7
Birkenhead.....	111,939	844	7.5
Preston .....	111,900	489	4.4
Norwich .....	109,145	131	1.2
Gateshead .....	106,659	1,125	10.5
Plymouth .....	103,921	394	3.8
Derby .....	103,451	714	6.9
Swansea .....	93,672	690	7.4
Wolverhampton...	91,298	461	5.0 (Average of 4 years 1897-1900)
Middlesbrough ...	87,340	728	8.3

<sup>1</sup> Figures for the different London boroughs are not available.

England and Wales—*continued.*

Place.	Average Population.	Average Number of Persons Proceeded Against for Drunkenness.	Ratio per 1,000 of the Population.
Northampton.....	84,034	232	2·8 (Average of 4 years 1897-1900)
York.....	74,084	398	5·4
Grimsby .....	61,824	662	10·7
Barrow-in-Furness .....	56,882	677	11·9
Great Yarmouth..	50,867	307	6·0
Tynemouth (including North Shields) .....	50,528	1,695	33·5
Burton-on-Trent	49,518	273	5·5
Oxford.....	48,679	140	2·9
Cambridge .....	38,837	38	1·0
Scarborough .....	36,901	216	5·9
Hartlepool .....	22,094	304	13·8

Average ratio for the above 38 towns taken as a whole (*i.e.*, on the aggregates of the populations and offences), 7·4.

## Ireland.

Place.	Average Population.	Average Number of Persons Proceeded Against for Drunkenness.	Ratio per 1,000 of the Population.
Dublin (Metropolitan Police District) .....	382,605	8,968	23·4
Belfast.....	333,723	5,735	17·2
Cork.....	99,210	2,498	25·2
Londonderry .....	38,538	1,746	45·3
Limerick.....	37,277	1,827	49·0
Waterford .....	27,899	1,491	53·4
Galway .....	13,491	853	63·2

Average ratio for the above towns taken as a whole (*i.e.*, on the aggregates of the populations and offences), 24·8.





### The Alleged Drunkenness of Finland.

Among the statements made by Mr. Walker is the following:—

“On the other hand, Finland—one of the homes of a ‘Gothenburg’ system of the strictest kind—consumes the least alcohol per head of any European country, while we have it on the authority of travellers that the natives are very drunken.”

Observing that the article upon Finland in the new volumes of the *Encyclopædia Britannica* was written by Prince Kropotkin, we submitted to him Mr. Walker’s statement. Writing under date December 2nd, 1902, Prince Kropotkin replied:—

“The statement by Mr. John Walker concerning drunkenness in Finland is absolutely untrue. There is very little drunkenness in Finland, as a rule, as compared with other northern countries: surely much less than here [England]. I remember that some three years ago a book was published by an Englishman, in which there was such a statement. But (1) the author was known for his untrustworthiness, and (2) he had only



travelled from Torneå to Varanger Fjord, and having had trouble with the post-keepers, accused them of wholesale drunkenness."

If any corroborative evidence were wanted, it would be found in a work published in 1901, by Mr. Harry De Windt, *Finland as it is*, from which we subjoin the following. After alluding to the opinion commonly held in this country that the sobriety of the Finnish peasantry is something on a par with that of the Muscovite Moujik, and giving reasons to show that this opinion is mistaken, Mr. De Windt adds:—

"In face of these facts I refuse to believe that the Finns are an intemperate race, for in all my wanderings throughout the country I never once saw a drunken man until I reached Torneå. And he was a Swede from South Africa."<sup>1</sup>

And, again, after leaving Finland, Mr. De Windt writes:—

"I crossed Finland without once encountering an inebriate of either sex, while

<sup>1</sup> p. 48.

one day in Haparanda I met a dozen drunken men in the course of a short walk."<sup>1</sup>

### The South Carolina State Monopoly.

The Dispensary System of South Carolina has little in common with the Gothenburg System, except that in both the liquor trade is taken out of private hands. The Dispensary System is, however, of special interest as showing that, even under a system defective in many ways, the political power of the Trade is practically destroyed when private profit is dissociated from the sale of drink.

Mr. Walker supposes the contrary to be the fact. He writes:—

“The Committee of Fifty—the impartiality of whose opinions may be vouched for—say in their first Report upon the Liquor Problem (2nd ed., p. 166), that ‘Underneath the opposition lies the feeling that in furtherance of an ostensibly purely moral object the advocates of the Dispensary System have grasped the opportunity of entrenching themselves in power, and abrogated the rights of local self-government in a manner at variance with all the political traditions of South Carolina.

<sup>1</sup> p. 278.



*That the State control of the sale of liquor cannot be dissociated from politics is admitted by its promoters to be an inherent defect of the system.'"*

The words which we have italicised certainly appear to support Mr. Walker's view, and it was only after one of the present writers had visited South Carolina that their real meaning was understood by us. In the 7th and subsequent editions of *The Temperance Problem and Social Reform*, we say<sup>1</sup>:—"In his recent visit, one of the present writers was assured by State officials and influential citizens representing widely different points of view, that the liquor interest had been predominant in municipal elections prior to the establishment of the Dispensary System, but that since its introduction this influence had been destroyed. These assurances accord with the declaration of a former Governor of the State, who, in his message of November, 1893, said:—

<sup>1</sup> In the earlier editions (1 to 6), the writers attributed to the italicised words the same meaning that Mr. Walker attaches to them. He, however, quotes throughout from the 7th edition, which contains the true interpretation of the words as subsequently ascertained by the present writers.

“‘The local whisky rings, which have been the curse of every municipality in the State, and have always controlled municipal elections, have been torn up root and branch, and the influence of the bar-keeper as a political manipulator is absolutely destroyed.’

“This strong statement is quite consistent with the words employed by the present Governor (January 10th, 1899):—‘The new system,’ he said, ‘has now been in force three years, and, in my opinion, it has failed to accomplish the purposes of its advocates. The idea was to divorce the Dispensary System from politics and to put it under a strictly business management. No such result has followed. It is notorious that the Dispensary is as much or more in politics than it ever was.’ The apparent contradiction is such for an English reader only. The reference is simply to the notorious ‘spoils system’ of American party politics. The Dispensary System is ‘in politics’ merely in the sense in which any municipal undertaking



—gas or waterworks or tramways—would be ‘in politics’ if the posts in connexion with these undertakings were given by preference to the adherents of one political party, instead of to the fittest men irrespective of party. In other words, the Dispensary System shares in that which is so often the bane of municipal government in the United States. In a better sense, too, the system is ‘in politics,’ as the discussion upon its merits is not yet closed, public opinion being divided between the relative merits of the Dispensary System, High Licence and Prohibition. As a matter of fact, in South Carolina, as in Scandinavia, the taking of the trade out of private hands has destroyed its electoral power.”

Mr. Walker justly says that the impartiality of the opinions of the Committee of Fifty may be vouched for. This is certainly the case, and therefore to set at rest all doubt as to the actual fact, we submitted to Mr. John Koren, who wrote the Report of the Committee of Fifty which Mr. Walker quotes,

the extracts from *The Temperance Problem and Social Reform*, and those from Mr. Walker's book given above. Mr. Koren, writing under date 6th August, 1902, says (the italics are ours) :—

“ In reply to yours of July 11, let me say that I agree with the statement embodied in the clipping you sent me, to the effect that, as a result of the Dispensary System, the local whiskey rings in South Carolina have been destroyed, and with them the influence of the bar-keeper as a political manipulator. Nevertheless, the Governor of South Carolina, whom you quote, was quite right in saying ‘It is notorious that the Dispensary is as much or more in politics than it ever was.’ But he refers to the spoils system in our political life. Where that exists—and it flourishes in South Carolina—all undertakings of the State become so many political ‘jobs.’ Thus, adherents of the party that established the Dispensary System were selected to conduct all Dispensary affairs. It was their reward



for political services in the past, and the condition of further 'party work' in the future. The evils of the spoils system are, however, quite distinct from the nefarious activity of the liquor dealers in politics. *But the latter has been destroyed for all time in South Carolina, and if the Dispensary System had accomplished nothing else, it would have been worth the experiment.*

"What I have said is perfectly consistent with the statement made by the Committee of Fifty in their first Report (2nd ed., p. 166), and which Mr. John Walker quotes in his book. It is one thing to say that the 'State control of the sale of liquor cannot be dissociated from politics,' and quite another that by taking the trade out of private hands the political influence of the trade has been destroyed. If Mr. Walker had understood American politics, he would not have made the mistake of using the quotation in question to support his position. Since the report of the Committee of Fifty was written, things

have changed for the better in South Carolina. Many of the political abuses under the Dispensary System have been corrected: affairs are managed more on a business basis than with an eye to political advantage; and I look forward to the time when it only can be said in a very restricted sense that the Dispensary System is a part of the political machine of South Carolina. *At present the point to be remembered is that South Carolina is the only State in the Union without a pernicious saloon element in control of public affairs. Surely this is a great gain."*

**Are the Statistics of the  
Consumption of Spirits in Gothenburg,  
Stockholm, and Bergen trustworthy?**

Mr. Walker not only questions the statistics of the national consumption of spirits in Scandinavia, but also those of the individual Companies. Thus (p. 24), referring to our table showing the bar sale of spirits in Gothenburg from 1875 to 1899,<sup>1</sup> he writes:—

"Such a statement can only be prepared by inquiring at the different sources of retail supply, and adding the results together."

<sup>1</sup> *The Temperance Problem and Social Reform*, 7th edition, p. 457.



He then considers what an inquiry of this kind would entail in such a city as Edinburgh, and concludes:—

“Consequently, among the hundreds of different channels of supply, it would be impossible to arrive at a true estimate of the sale in any of our towns or in any one locality; *and the Swedes are less well provided with the means of doing so than ourselves.* Yet Dr. Gould, Messrs. Rowntree and Sherwell, Mr. Whittaker in his ‘Memorandum on the Royal Commission Report,’ and almost every other writer treat these figures as if they were *wholly trustworthy*, and accept them as completely refuting such judicially recorded statistics as arrests.”

Mr. Walker, in this passage, draws no distinction between *statistics* of consumption and *estimates* of consumption. The writers whom he quotes, so far as we are aware, always differentiate between the two. The figures given in *The Temperance Problem and Social Reform* are *statistics* of consumption, and are wholly trustworthy. The difficulty which Mr. Walker imagines to attach to the obtaining of these figures is, in fact, non-existent. Mr. Andrée, the Manager of the Gothenburg Bolag, in a letter dated July 31st, 1902, writes:—“You are perfectly

right in thinking that we know the consumption of spirits to the very litre at our retail [off] and bar shops." The method adopted for supplying the various Bolag establishments is of course entirely different from that which obtains in Scotland or England. As Mr. Andrée says, "Our managers send their requisition to the office, and we order from the different wholesale dealers the quantity of spirits required. The casks, large and small, are marked by the Government, so we order cask number so-and-so to be filled." *As the clubs, hotels, and restaurants are all supplied from the Bolag, their sales are known equally with those in the Bolag shops, and are included in the published returns.*

In Bergen, the check upon sales is equally complete. Mr. Wilson writes:—

"The stewards indent upon the Society's warehouse for what liquors they require to maintain the stocks of the bar under their charge, and they are held responsible for the value. The cash received at the bars is paid daily to the cashier at the head office,



and the stewards render a statement of unsold stocks once a week; while an inspector checks the stocks and sees that they correspond with the accounts kept at the head office. The cash received at the head office and the value of the unsold stock must balance the account of the bar kept at the head office."<sup>1</sup>

The *statistics* of consumption given by us are thus shown to be altogether trustworthy. The *estimates* of consumption made by the writers whom Mr. Walker quotes are the estimates of trained experts, and their conclusions cannot be set aside by his *ipse dixit*.

### Results of Voting of Norwegian Towns upon the Retention or Suppression of Samlags.

	Number of Towns in which a Vote was taken.	Number of Towns in which Samlag was retained.	Number of Towns in which Samlag was abolished.
1895	13	2	11
1896	9	4	5
1897	11	8	3
1898	12	8	4
1899	6	3	3
	51	25	26

<sup>1</sup> *Local Option in Norway*, by Thomas M. Wilson, pp. 68, 69.

It will be seen that the vote taken in 1895 (operating for five years) led to the suppression of the Samlag in eleven towns, and to its continuance in two towns—the suppression of the Samlag carrying with it the establishment of prohibition. The wisdom of this policy was questioned at the time by many friends of temperance, and it may be of interest to note that, in 1900, twelve<sup>1</sup> out of the same thirteen towns voted again, with the result that the two towns which had in 1895 retained the Samlag, once more voted for its continuance, while six towns which had in 1895 voted against the Samlag, *i.e.*, for prohibition, now voted for the re-establishment of the Samlags. The return of the six towns from prohibition to the Samlag is the more remarkable as in these elections those who have the right to vote but do not exercise it are counted as

<sup>1</sup> In the case of the remaining town (Skien) where the abolition of the Samlag in 1895 led, not to Prohibition, but to the re-establishment of one of the very few privileged licences still existing, the Chief of the Government Statistical Department, Christiania, writes that "no new voting has been required."



voting for the *status quo*. In 1895 this regulation gave the vote of the indifferent to the retention of the Samlags, but in 1900 it gave their vote (in the case of the eleven towns which had adopted prohibition) to the retention of prohibition.

The nine towns which had voted in 1896 voted again in 1901, and the eleven towns which had voted in 1897 voted again in 1902, but in neither case were the earlier decisions disturbed. It should, however, be noted that in Bergen, since the 1st of January, 1902, all 'on' sale of spirits in the town has been abolished, and since the beginning of 1903 the 'on' sale has also been abolished in Larvik. In neither Bergen nor Larvik, however, are the native spirits sold in sealed bottles, as in Russia and South Carolina, but the purchaser usually brings his own bottle.

Rate that would be Required  
to Meet the Estimated Cost of Counteracting  
Agencies if borne by the Rates.

BOROUGH.	Population. 1901.	Yearly sum that would be required for Counteracting Agencies. I.	Yield of a Penny Municipal Rate. <sup>1</sup> II.	Rate that would be required to meet the cost of Counteracting Agencies. III.
LONDON—		£	£	d.
Bermondsey .....	130,760	13,076	1,893	7
Bethnal Green.....	129,680	12,968	2,159	6
Poplar .....	168,822	16,882	3,287	5½
Stepney .....	298,600	29,860	5,833	5
Southwark.....	206,180	20,618	5,182	4
Fulham .....	137,289	13,729	3,197	4½
Hampstead .....	81,942	8,194	3,994	2
Kensington .....	176,628	17,663	9,308	2
Paddington .....	143,976	14,398	6,050	2½
St. Marylebone ...	133,301	13,330	7,034	2
St. Pancras .....	235,317	23,532	7,508	3¼
Westminster .....	183,011	18,301	22,805	¾
Battersea .....	168,907	16,891	4,216	4
Camberwell .....	259,339	25,934	5,288	5
Hammersmith .....	112,239	11,224	2,863	4
Wandsworth.....	232,034	23,203	6,561	3½
Lambeth .....	301,895	30,189	7,795	3¾
Finsbury .....	101,463	10,146	3,986	2½
Islington .....	334,991	33,499	7,970	4¼
Hackney .....	219,272	21,927	4,854	4½
City of London ...	26,923	2,692	20,368	¼
Administrative County of London	4,536,541	453,654	167,027	2¾

<sup>1</sup> The yield of a penny rate is only a rough indication of the rateable value of a town, as some places deliberately adopt a low rate of valuations. For the purposes of this table, however, these variations are immaterial.



TOWN.	Population. 1901.	Yearly sum that would be required for Counteracting Agencies. I.	Yield of a Penny Municipal Rate. <sup>1</sup> II.	Rate that would be required to meet the cost of Counteracting Agencies. III.
ENGLAND & WALES—		£	£	d.
Liverpool .....	684,947	68,495	13,580	5
Manchester .....	543,969	54,397	13,210	4½
Birmingham .....	522,182	52,218	11,495	4½
Leeds .....	428,953	42,895	7,518	5¾
Sheffield .....	380,717	38,072	6,560	5¾
Bristol .....	328,842	32,884	6,100	5½
West Ham .....	267,308	26,731	4,500	6
Bradford .....	279,809	27,981	5,322	5½
Nottingham .....	239,753	23,975	3,750	6½
Hull .....	240,618	24,062	3,948	6
Newcastle .....	214,803	21,480	5,000	4½
Salford .....	220,956	22,096	3,718	6
Leicester .....	211,574	21,157	3,860	5½
Portsmouth .....	189,160	18,916	3,325	5¾
Cardiff .....	164,420	16,442	4,023	4
Bolton .....	168,205	16,820	2,916	5¾
Sunderland .....	146,565	14,656	2,384	6½
Blackburn .....	127,527	12,753	2,031	6½
Birkenhead .....	110,926	11,093	2,300	4¾
Preston .....	112,982	11,298	1,500	7½
Norwich .....	111,728	11,173	1,600	7
Gateshead .....	109,887	10,989	1,416	7¾
Plymouth .....	107,509	10,751	1,880	5¾
Derby .....	105,785	10,578	2,067	5½
Swansea .....	94,514	9,451	1,462	6½
Wolverhampton ...	94,179	9,418	1,389	6¾
Middlesbrough .....	91,317	9,132	1,285	7
Northampton .....	87,021	8,702	1,470	6
York .....	77,793	7,780	1,603	4¾
Grimsby .....	63,138	6,314	964	6½
Barrow-in-Furness	57,584	5,759	987	5¾
Great Yarmouth ...	51,250	5,125	755	6¾
Tynemouth .....	51,514	5,151	934	5½
Burton-on-Trent ...	50,386	5,039	1,300	4
Oxford .....	49,413	4,941	1,460	3½
Cambridge .....	38,393	3,840	1,038	3¾
Scarborough .....	38,160	3,816	880	4½
Hartlepool .....	22,737	2,274	306	7½
			AVERAGE	5½

<sup>1</sup> See footnote on previous page.

TOWN.	Population. 1901.	Yearly sum that would be required for Counteracting Agencies. I.	Yield of a Penny Municipal Rate. <sup>1</sup> II.	Rate that would be required to meet the cost of Counteracting Agencies. III.
<hr/>				
SCOTLAND—		£	£	d.
Glasgow.....	760,423	76,042	19,000	4
Edinburgh .....	316,479	31,648	10,636	3
Dundee .....	160,871	16,087	3,093	5 $\frac{1}{4}$
Aberdeen .....	153,108	15,311	3,280	4 $\frac{3}{4}$
Paisley .....	79,355	7,935	1,367	5 $\frac{3}{4}$
Govan.....	76,351	7,635	1,200	6 $\frac{1}{4}$
Leith .....	76,667	7,667	2,036	3 $\frac{3}{4}$
Greenock .....	67,645	6,764	1,250	5 $\frac{1}{2}$
Kilmarnock .....	34,161	3,416	537	6 $\frac{1}{4}$
Kirkcaldy .....	35,000	3,500	500	7
Hamilton .....	32,775	3,277	526	6 $\frac{1}{4}$
Perth .....	32,872	3,287	700	4 $\frac{3}{4}$
Ayr.....	28,624	2,862	657	4 $\frac{1}{4}$
Falkirk .....	29,271	2,927	460	6 $\frac{1}{4}$
Dumbarton .....	18,836	1,884	290	6 $\frac{1}{2}$
Stirling .....	18,403	1,840	395	4 $\frac{3}{4}$
Dunfermline.....	25,250	2,525	390	6 $\frac{1}{2}$
			AVERAGE	5 $\frac{1}{3}$
<hr/>				
IRELAND—		£	£	d.
Dublin .....	289,108	28,910	3,630	8
Belfast .....	348,965	34,896	4,500	7 $\frac{3}{4}$
Cork .....	75,978	7,598	716	10 $\frac{1}{2}$
Londonderry .....	39,873	3,987	400	10
Limerick .....	38,085	3,808	280	13 $\frac{1}{2}$
Galway .....	13,414	1,341	110	12 $\frac{1}{4}$
			AVERAGE	10 $\frac{1}{3}$

<sup>1</sup> See footnote, p. 271.





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