

DEFENCE OF THE REALM (LIQUOR CONTROL)  
REGULATIONS, 1915.

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CENTRAL CONTROL BOARD  
(LIQUOR TRAFFIC).

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CARLISLE AND DISTRICT  
DIRECT CONTROL AREA.

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The General Manager's Report  
to the Board

FOR THE YEAR ENDING

**31st December, 1918.**

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*Presented to Parliament by Command of His Majesty.*

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# CENTRAL CONTROL BOARD (LIQUOR TRAFFIC).

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### PART I.

#### 1. INTRODUCTION.

This third report on the Carlisle and District Undertaking must differ from its predecessors in certain respects. The first report, dealing with the second half of the year 1916, described the conditions necessitating the scheme of direct control, and the steps taken to put the breweries and licensed premises in the City under the Board's management. The second report was concerned with the consolidation of the organisation and the further development of the undertaking, which now embraces an area of roughly 320 square miles, with a population of about 115,000, and which contained 339 licences before the Board commenced operations.

In the present report there can be, in the nature of things, little that is novel or striking. The main lines of the Board's work have been indicated in the previous reports. The boundaries of the controlled area have not been extended during the past year. No extra restrictions on the supply or consumption of intoxicants have been imposed by the Board. As a result of the national shortage of materials and labour, few new enterprises affecting the character or structure of public-houses have been possible. The year has been one of steady progress on the lines indicated in the two previous reports.

In the circumstances, therefore, it may not be out of place to review briefly the events which led to the Board's invitation to Carlisle in the late spring of 1916, and the nature of the work which has been accomplished there since that time. To this will be added some comments induced by a consideration of the position as it stands, now that time has been allowed for its development.

#### 2. POSITION OF THE BOARD AT CARLISLE.

The Board came to Carlisle in June, 1916, to endeavour to solve a most difficult problem. The appalling outbreak of drunkenness caused by the influx of crowds of hard-drinking and well-paid navvies into the district, in connection with the construction of the Gretna munition works, showed clearly that special measures would have to be taken to cope with the position.

These works were the result of the shell shortage of 1915. A large tract of ground, situated on the northern shore of the Solway Firth, about nine miles long by one mile wide, had been taken over by the Government for the purpose of erecting a national munitions factory. This ground stretched from near Longtown on the English side of the Border to the neighbourhood of Annan on the Scottish side. It included the villages of Gretna, Springfield, and Dornock. In addition to the enormous factory (which was to occupy scores of acres) two complete residential townships were to be built, at Dornock and Gretna respectively, to accommodate some of the workers.

Operations on this site were begun in the autumn of 1915, and in a very short time the neighbouring towns and villages were flooded with a steadily growing number of constructional workers. These men were brought from all parts of Great Britain and Ireland; the available accommodation soon began to run short, and over-crowding became general. The consequence was inevitable. Men living in overcrowded lodgings, away from their families, earning large wages, and with few interests to fill their leisure time, turned naturally to the public-houses, and drunkenness became increasingly common.

The growth of drunkenness was a gradual one, and for the first few months of the advent of the navvies the authorities were able to cope with the disorders that arose. But by the spring of 1916 disorder had spread to such an extent as to threaten to undermine the ordinary social life of the City. The insobriety was especially grave on Saturday nights, when the town was crowded, not only by those living in the City, but also by large numbers from the surrounding villages and countryside, who came in to do their shopping and to seek amusement and recreation. In the words of an eye-witness: ". . . Some five thousand of the said navvies nightly remove themselves from the scene of their labour



to Carlisle, with the result that a once respectable city, chiefly notable for its castle, its cattle market, and its hanging of rebels, has become a city of dreadful Saturday nights. I have no need to penetrate the darkness to paint you graphic word-pictures of Carlisle's Saturday nights—of the inns where men stand in solid formation to make massed attacks on the alcohol, and even stand in elevated echelon all up the staircases because there isn't room enough on the floor.

The opinion of the inhabitants was voiced by the Chief Magistrate, who stated publicly that unless something was done the place would soon become completely demoralised.

It was under such conditions that the Board decided that something further was needed than the application of the general restrictive form of Order which was then coming into force in most parts of Britain where efficiency in war work was essential. Such an Order had been applied in November, 1915, to the large district comprising Cumberland, Westmorland, Dumfriesshire, &c., and called the "Western Border Area," of which the Gretna Factory formed roughly the centre, and had imposed the usual restrictions on the sale and supply of intoxicants. Amongst the more important were the cutting down of the hours of sale of intoxicants to five and a half per day: the limitation of off-sales of spirits to the mid-day opening periods on five days in the week and to quantities not less than a reputed quart bottle; no treating; no credit; no hawking of liquor; no long pull; compulsory dilution of spirits; and the abolition of the "bona fide traveller." Sunday closing was also imposed in the part of the area situated near the Border, so as to prevent migration for drinking purposes on that day. But owing to the particular circumstances of the time, this Order had little or no effect.

Steps had already been taken to deal with the problem in the immediate neighbourhood of the factory. In the early months of 1916 the Board had placed under their direct control the public-houses in the whole factory area and a considerable fringe bordering it, including the towns of Annan and Longtown, and had put under management all the licensed premises in this area which were kept open. But it was quickly found that the storm centre was Carlisle. Thousands of navvies had lodgings in the City, and spent their evenings there, while thousands more came into the City on Saturday afternoons and stayed till late at night.

In June, therefore, of 1916, a local conference was held between members of the Board and representatives of the Local Authorities, and it was decided to place the whole of the liquor trade in the City and part of the surrounding country district under the direct management of the Board. This decision was put into force at once, and the Carlisle undertaking came into existence.

It may be conveniently stated at this point that the principle on which the Board decided to conduct the retail licensed trade of the district was that of salaried management. It was believed that the Board could in this way maintain a closer supervision over the sale of intoxicants, and that any instructions they might issue would be more promptly and effectually put into practice. Managers were, therefore, appointed, who were paid a regular wage by the Board, and had no interest of any kind in the sale of alcoholic liquors. The immediate effect of this in reducing the number of convictions for drunkenness is noted elsewhere.

### 3. LICENSED PREMISES AT CARLISLE.

In June, 1916, there were 119 licensed premises in Carlisle and 7 registered clubs. (In addition, the theatre had an excise licence, but this licence is disregarded in the figures here given.) These licences included two large residential hotels and a licensed restaurant with no public bar. With the exception of these three, all the licences in Carlisle were to be acquired.

The acquisition was proceeded with as quickly as possible, but it was a physical impossibility to take over so many houses all at once, and the process was spread over the following three or four months. By the end of October the bulk of the City houses were under management or closed.

The licensing position in the City of Carlisle on the 31st December, 1918, is indicated graphically on the map in the appendix. On that date there were 69 licences, a proportion of 1 to every 756 persons on the basis of a population of 52,225, the 1911 census figure.

In addition to the three licences mentioned above there was a large hotel in the centre of the town which the Board had not yet been able to take over, but which will come into their possession on August 1st of this year. 65 houses were under management, 53 houses had been closed, and 3 new licences had been issued—the Gretna and London Taverns (which will be referred to later), and the Citadel Station Refreshment Rooms. (The latter until October, 1916, were conducted under the licence of the County Hotel adjoining—one of the hotels which the Board did not acquire.) The net reduction, therefore, in the number of licences was 50, which gives a total reduction of 42 per cent. At the national rate of reducing licences under the Licensing Act, 1904, it would have taken about 25 years to have achieved this result.

### 4. CUMBERLAND

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### 5. EXTENSION

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#### 4. CUMBERLAND WARD AND LONGTOWN DIVISIONS OF CUMBERLAND.

In order to discourage the migration from the town to the country in search of liquor, the Board placed under their direct control the surrounding country area on all sides of Carlisle. This area consisted of the Cumberland Ward Petty Sessional Division, and the south-western portion of the Longtown Division. In the area so limited there were respectively 68 and 16 licensed premises at the end of June, 1916.

All these premises have been either taken over by the Board or closed during the two and a half years subsequent to June, 1916, with the result that there are now in the Cumberland Ward Division 37 licensed premises, and in the south-western portion of the Longtown Division 9. It will be seen that this represents a reduction of 45.5 and 43.7 per cent, respectively. In the country districts it has been the Board's aim to leave at least one licensed house where there were formerly two or more in a village, together with a reasonable number of way-side houses on the main roads.

The following table gives the reduction of licences at a glance:—

<i>Name of District.</i>	<i>Total No. of Licences in June, 1916.</i>	<i>No. of Licences taken away.</i>	<i>Proportion to Population of Remaining Licences.</i>
Longtown P. S. D. (part) ... ..	16	7 (43%)	... 502
Cumberland Ward P. S. D. ... ..	68	31 (45%)	... 322

#### 5. EXTENSION TO THE ALLERDALE-BELOW-DERWENT AND MARYPORT DIVISIONS OF CUMBERLAND.

It must here be mentioned that the Maryport Brewery Limited owned numerous houses in the City of Carlisle. This also applied to the surrounding area. Although their brewery and offices were situated in the town of Maryport, some 27 miles away, the bulk of their trade was done at Carlisle, and it became apparent, when negotiations were entered into between the Board and the Company for the acquisition of their houses in the then directly controlled area, that it would be a more economical transaction to acquire the whole of the Company's assets. The compensation payable for loss of profits when the majority of their most profitable houses had been taken away would inevitably be considerably greater than the aggregate value of the licensed premises acquired.

The larger number of the Maryport Brewery houses were situated in the town and Petty Sessional Division of Maryport, and in the Allerdale-below-Derwent Division. It appeared necessary therefore, and it was so decided, to extend the controlled area to include these two divisions. Part, however, of the Allerdale-below-Derwent Division consists of wild moorland and sparsely inhabited agricultural land, and this portion was therefore cut out. In this extended part of the area there were 137 licensed premises, 63 of these being situated in the Maryport Petty Sessional Division, including 45 in the town of Maryport.

A continuous attempt has been made to deal with all the licensed premises in this area, and considerable progress has already been achieved. Up to the end of 1918 48 houses had been put under management and 12 had been closed. The completion of the work has been prevented by the unwillingness of some of the Brewery Companies and private owners to negotiate or to consider reasonable offers of compensation. The town of Maryport is grossly over licensed for its population, which is about 12,000. When the Board have acquired the whole of the licensed premises there, it will be possible to reduce the number to less than one-half without inflicting inconvenience on the public. The small town of Wigton is in much the same condition, but here again, and at Aspatria, reduction is held up for the same reason.

During the year 1918 the business of another trading company at Maryport, Jacob Thomlinson Limited, was taken over, this transaction giving the Board a further 9 licensed houses, all except one situated in the extended area. This Company, although not possessing a brewery, had bottling stores at Maryport, but the work done there has been transferred to the bottling stores at the Maryport Brewery.

At the end of 1918 the Board were carrying on the retail sale of intoxicants in the Carlisle and district area in 164 managed houses, while 57 of their houses were still under tenants, more than half of these being outside the controlled area.

#### 6. WHOLESALE TRADE.

The wholesale part of the trade at Carlisle, which was conducted from four breweries, was acquired with the licensed houses. In addition, the Maryport Brewery Limited had a large share of the trade of the City, and later it became necessary to acquire their undertaking as well. The bottling of beer was carried on at a large number of places in the City. Each brewery had its own staff and its own system of delivery.



The arrangements made by the Board for the carrying on of the wholesale trade in the most up-to-date and economical manner were discussed in considerable detail in the last annual report, and it will suffice if on this occasion a summary of the position is given, as follows:—

Brewing is conducted at the Carlisle Old Brewery, and the other three breweries are not utilised for this purpose. At the Carlisle New Brewery all the bottling of beer is carried on with an up-to-date plant. A considerable portion of the malt used by the Board is made at these two breweries. The Queen's and Iredale's Breweries at Carlisle are no longer used in connection with the licensed trade, but are let off, the first one as a store, the second as a hostel for labourers. The whole of the blending and bottling of spirits is carried on at the new Spirit Stores, which take the place of 12 or 13 small establishments. Brewing is still continued at Maryport, whence the western part of the area is now supplied. In addition the Board brew at Carlisle or at Maryport all the beer required for the canteens in the Gretna Factory Area.

#### 7. PROCEDURE ON ACQUISITION.

On the Board taking over licensed premises under their compulsory powers, the interests of all parties connected with the property are carefully safe-guarded. A statutory notice of acquisition is served personally on the occupier of the premises, and copies are also served on each of the other parties interested. The Board's valuer then gets into touch with the interested parties or their valuers, and the question of compensation is discussed between them. If an agreement is reached (as has been the case in the vast majority of instances) the Board's valuer sends in a written report to the Board, which is considered by them, and if approved by them and by the Treasury becomes the basis of a formal agreement.

In the cases of owners the next step is for them to furnish evidence of title in the ordinary way, and when this is done to the satisfaction of the Board's solicitors, the money is paid over, together with interest at five per cent. per annum, from the time the property vested in the Board. The reasonable costs of solicitors and valuers to the parties interested are paid by the Board on a scale approved by the Treasury.

In the case of tenants, the procedure is much the same, except that no documentary proof of title is called for, the actual occupancy being regarded as a sufficient proof of the interest of the occupier. In tenants' cases, therefore, the compensation money is received with but little delay, but here again interest at five per cent. is paid on the amount from the time of the Board's taking over the house up to the date of payment. Stock, trade utensils, fittings and furniture, are taken over and paid for at once.

A serious endeavour has been made throughout to assess the amount of compensation at a reasonable sum, which would be fair both to the interested parties on the one hand and to the Exchequer on the other. In some cases the balance may have leaned slightly to the side of generosity, but this is not surprising in view of the fact that acquisition has been compulsory. In any case its extent has not been such as to raise any suggestion of extravagance.

#### 8. RESTRICTIVE MEASURES.

The Board's houses in Carlisle and district are subject to all the restrictions imposed by the general order of the Board as applied to the Western Border Area. These have been briefly noticed above. It is to be noted that Sunday closing was not imposed on the whole of the Western Border Area, but only on that portion which lay within a reasonable distance of the Scottish Border. Although Sunday closing continued therein throughout the year under review, it has now been discontinued on the recommendation of the Local Advisory Committee. This step was taken on the 9th February, 1919, because the differentiation of the district from the rest of England was no longer necessary, owing to the cessation of hostilities and the consequent partial closing down of the Gretna Factory.

In addition, further restrictions have been found possible and desirable in the district under the Board's direct control, many of which would not have been practicable if competing interests had remained. The most important of these are as follows:—

i. *Spiritless Saturdays.* The experience of the Christmas holiday season, 1916, when the sale of spirits was stopped on the two Saturdays before Christmas and New Year's Day respectively, with the result that there was only one arrest for drunkenness on the two days, decided the Board to try the experiment of prohibiting the sale of spirits on Saturdays throughout the area. The results, so far as arrests for drunkenness were concerned, were excellent, and were dealt with in some detail in the report for 1917. Shortly, it appeared that on the eight Saturdays preceding the Spiritless Saturday Order there were 45 arrests for drunkenness, or an average of 5.62 per day, whereas during the whole of the rest of the year (44 weeks) there were only 24 arrests on Saturdays, or an average of .54 per day. The Chief Constable, in his report for 1917, said: "Arrests for drunkenness on Saturdays, which



formerly was the heaviest day, have become practically non-existent." The experience of 1917 was continued throughout 1918 with similar excellent results, but the ban was recently removed for the same reason that was operative in the case of the re-opening on Sundays.

ii. *"Off" Sales of Spirits.* In order to lessen the temptation to take away bottles of spirits (before the shortage was felt) for consumption at home, the number of houses where spirits could be purchased in bottle for "off" consumption was reduced from over 100 to a number varying at different times between 15 and 18. The houses selected were situated at various parts of the City, in order that *bona fide* purchasers might not be subjected to undue inconvenience. Owing to the shortage of spirits caused by the Food Controller's Orders a further reduction in this number took place, and during the latter part of 1918 only six houses were permitted to sell bottles of spirits for consumption "off" the premises. This did not affect the "off" sales of spirits for medicinal purposes under a doctor's certificate. All fully licensed houses were given a supply of spirits, which was to be reserved solely for sales of this description. This step has entirely removed the grounds of complaint which were beginning to be raised as to the difficulty in obtaining spirits in such circumstances.

iii. *Grocers' Licences.* These have all been abolished in the original area. A like course is being taken in the extended area.

iv. *Local Suspension of the "On" Sale of Spirits.* In certain licensed premises in the immediate neighbourhood of the Gretna Factory the sale of spirits was temporarily discontinued at the request of the Factory Authorities.

v. *Mixed Drinks.* The practice of ordering spirits and beer together, locally known as "a heater and a cooler," was discouraged. Later it was found possible to issue a definite instruction that such orders should not be executed. It is well known that this practice leads to intoxication more quickly than if the different kinds of liquor are drunk separately.

vi. *Sales to Young Persons.* The Board's Managers have instructions not to sell spirits to any person apparently under the age of 18 years, and not to sell beer or wine to such persons except for consumption with a meal. The presence in the neighbourhood of so many young people working at the Factory and drawing high wages was the reason for this rule. It has been widely approved by the licensing authorities in other towns.

vii. *Rationing.* In consequence of the drastic restriction of supplies of beer and spirits resulting from the Orders of the Food Controller, it was found that if the customary mode of selling were to be allowed, the houses would be sold out for a considerable part of the time when they were allowed by law to sell intoxicants. Such a state of affairs is not desirable, and it was decided that some system of rationing should be imposed. The difficulties in and objections to any system which is worked by means of tickets or cards are obvious, and such a system, after consideration, was rejected. The plan adopted was to allot a definite quantity of intoxicants to each house and to divide that quantity up into specific portions for each opening period. As a rough guide to the managers as to the amount of liquor sold, they were instructed to stop selling after they had taken, in any opening period, a certain amount of money, which represented roughly the retail price of the liquor allocated for that particular period. In this way supplies were spread out equally over the week, with an extra quantity of beer on Saturday (when spirits were not sold). The quantity allowed to each customer was strictly allotted, and at the mid-day opening period beer was only supplied in half pints and spirits in half glasses.

As an additional means of rationing, the sale of intoxicants throughout the summer months was not permitted in the evening until seven o'clock, though the houses could have been open for such sale at six p.m. More recently, however, it was found possible to relax these restrictions to some extent, and to revert to the serving of intoxicants at six o'clock.

The "off" sales of spirits in bottle were an even more difficult problem. In the case of customers on the books of the various businesses taken over by the Board this was solved by supplying them with one-half of their supplies in the datum year. But to have limited the "off" sales to these customers alone would have been to differentiate between different classes of the community. It was therefore necessary to have a certain quantity on sale to the public. The number of places where "off" sales of spirits were carried on was cut down (as has been said above) from 18 to 6, and the managers of these houses were instructed to allocate a definite proportion of the week's supplies to each period when such sales were legal. The result was the formation of queues outside the "off" sale houses, an unpleasant phenomenon which continued until a ticket system was devised. This system leads to hardship in some cases, but as no better plan has been found possible it is still in force. At any rate, spirits in bottle can be bought by the general public, which is the case in few other towns in England.

The Chief Constable of Carlisle, in his report for 1918, says, referring to this matter: "The somewhat drastic rationing regulations which the Control Board put into force in May worked exceedingly well so far as public order was concerned, and except for the complaints as to the general shortage there has been little ground, so far as the Police have been able to ascertain, for any legitimate grievance by any class of the inhabitants."



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viii. *Advertisements.* Advertisements of intoxicants have been entirely discontinued, whether by poster, circular, window-dressing, or in any other way, and will not be resumed, so far as the Board can control them. Few bottles are visible from the street, and there is little to suggest that the buildings are public-houses, except for their names or signs. Occasionally framed and glazed advertisements may still be seen hanging on interior walls, but these are rather wall-coverings than advertisements, and a few have been allowed to remain on that ground, pending the re-decoration of the houses.

## 9. CONSTRUCTIVE WORK.

Important as the restrictive side of the Board's work in the Carlisle district undoubtedly is, the constructive measures which the Board have taken are no less important. These may now be considered.

i. *Supply of Food.* It is well known that alcohol will affect a hungry man more quickly than one who has fed. On this physiological fact the Board based their practice of supplying food, so far as they were able, at many of the places where drink was sold. In a large number of the City public-houses this was given a prolonged trial, but was not found to meet any demand. In a few, however, the sale of meat pies, bread and cheese, and the like, has been maintained with fair success throughout all the time the Board have been at Carlisle.

For the better organisation of the food trade, a Catering Superintendent has been appointed, who has charge of the supply of food, both at the taverns and at the Board's hotels, as well as at the public-houses where meat pies, &c., are still sold.

The result of the trial seems to show that unless a house is in a district where there are workers or business people at a distance from their homes, the public-house as at present constructed is regarded as a place for obtaining liquid refreshment only. No one wishes to persuade people to make a practice of having food away from home unless circumstances compel it.

More successful has been the Board's experiment with what are generally known as the "Food Taverns," the first of which was the well-known "Gretna Tavern." This was opened in July, 1916, very soon after the Board commenced operations in Carlisle, and was designed to provide for the navvies and munition workers a comfortable place where a substantial meal, with beer, could be obtained at a reasonable cost. A part of the old Post Office, in the centre of Carlisle, which was then vacant, was placed at the Board's disposal by the Postmaster-General, and the sorting room, a large, lofty, and well-lighted hall, was converted into a dining-room for the benefit of those who wanted refreshments as well as drink. It has always been popular. At mid-day, and in the evening meal hour, it was crowded by the navvies at first and later by the constructional workers, as they returned from their work. At subsequent stages, when the workers at the Factory changed, the Gretna Tavern remained a favourite rendezvous for the munition girls, and it still thrives on a trade larger than ever.

The "London Tavern," another venture of a similar kind, has not been so successful, so far as the sale of food is concerned. The premises of an unregistered club in a well-populated working-class district near some large engineering shops and railway goods yards were acquired and altered to provide a dining-room, kitchen, and bar. At the same time an old and ill-constructed public-house near by was closed. This tavern is too far from the centre of the town to do a large food trade, the majority of those employed at the neighbouring shops and yards living near at hand, and having their meals at home.

In addition to the arrangements made for supplying food at the ordinary public-houses and meals at the two taverns just noted, the Board have established dining rooms in five of the City houses, which have been extensively remodelled, but these are more particularly described in the section on reconstruction. It may be said here, however, that they have evidently met a real demand, as the dining rooms are largely used for meals during the usual meal hours.

That the provision of food in selected public-houses is popular is proved by the figures of the takings for food at these places. During 1918 the takings for food at the seven taverns at Carlisle amounted to no less than £16,370, and represented 33.4% of the total takings from all sources at such houses.

It may here be noted that the actual total takings for food at all the Board's managed houses had increased in the year 1918 by no less than 67% of the corresponding total for 1917. It is true that during the year under review the number of hotels taken over was greater than in 1917, which naturally swells the figure of the food takings, but this fact accounts for only a part of the increase, and in any case it is a sufficient indication, if one were needed, that the Board recognise the provision of food to be one of their main duties, and are discharging that duty in an increasing measure.

A word may be said, in passing, on the sale of food at certain of the food taverns for consumption "off the premises." There is a very considerable demand for female labour at some half a dozen large factories in the City, the result being that in many cases the women of the house are out all day, and the provision of proper meals at mid-day is difficult, if not impossible. That such cases are not isolated ones is proved by the number of children who come at



meal times for soup and hot food to be taken away and consumed elsewhere. The part of the premises where the food is sold for "off" consumption is at some distance from the entrance to the drinking portion of the house, so that purchasers do not need to enter the public-house at all, the business being done through a hatch or in a little shop specially designed for the purpose. This "off" sale of food is carried on at four Carlisle houses, and at the "Globe," Longtown, and has certainly proved a boon to large numbers of the poorer inhabitants in providing them at a low price with a hot meal which they could not otherwise have obtained.

The conclusion seems to be twofold—(1) that the provision of food in the ordinary public-house is not appreciated and meets little demand, (2) that in special cases a food trade can be developed as a profitable enterprise and to the benefit of the public.

ii. *Reconstructed Premises.* The full scheme of reconstruction which the Board originally contemplated has not yet been fully carried out owing to the lack of labour and materials. The reconstruction of certain premises in Carlisle was, however, commenced as soon as possible, and these have been carried through. The "Gretna" and "London" Taverns have been already noted. At a later date the "Pheasant," in Caldewgate, was reconstructed on the lines of a food tavern, proper provision being made for the cooking and service of meals, in addition to the ordinary facilities for the supply of intoxicants. As there are a large number of women employed in this district, a special room for meals was provided upstairs, with a separate entrance from a side street, where intoxicants are not sold. There is also a rest room for women adjoining this room.

Following this the "Albion," in Botchergate, a busy shopping thoroughfare, was converted into a food tavern. The "Goliath," in one of the poorest parts of the City, was re-modelled shortly afterwards, also as a food tavern. Later still two public-houses near the railway sidings were merged into a single house under the name of the "Irishgate" Tavern, where a kitchen and dining room were provided, and finally two large public-houses in the main street of the town were gutted, and while the frontages were made into two handsome shops, the back portions were transformed into a licensed restaurant known as the "Citadel" Tavern. It is of a somewhat more elaborate character than the other reconstructed premises, with dining rooms and a well-fitted bar, and was designed to meet, and has met, the trade usually found in the centre of a town.

In all these instances the demand for food has exceeded expectations, and what is more pleasing, it is, to all appearances, new trade, and it has steadily increased; it seems to show that dining rooms in selected public-houses were needed, and that they are appreciated.

In the autumn of 1918 the "Joiners' Arms" Inn, Caldewgate, was reconstructed, not like the former houses, as a food tavern (since the "Pheasant" was immediately opposite), but as an ordinary public-house.

At Longtown the "Globe" Inn was pulled down and re-built on extensive lines, with provision for meals, and with a bowling green outside. At an earlier date part of the out-buildings of the "Graham Arms" Hotel was converted into a coffee tavern, which was largely patronised for meals by the constructional workers during 1916 and 1917. This was discontinued later when the facilities for food at the "Globe" Tavern were provided, as there was not enough food trade in such a small town for the two places.

These are the only reconstructions which have been possible hitherto, but as labour and materials become more plentiful, further schemes will be brought up for consideration.

iii. *Food at Country Inns.* In order to meet any demand there might be for meals at the country inns in the district, the Board are providing and furnishing at suitable houses a special room where teas and light refreshments can be served. A beginning has been made and the necessary work has been carried out at a few of the houses. Here the food will not be provided by the Board, but the manager will do the catering and will take the whole of the profit. It is hoped that this provision by the Board of suitable accommodation, and the encouragement given to the managers to supply meals, will ensure in that part of Cumberland to which the Board's operations extend that no traveller will ever be refused refreshment of a non-alcoholic kind.

Notwithstanding the difficulties of food supply in the past year, many of the country inns have done quite a considerable trade in food, and it is believed that as the food situation becomes easier this trade will grow. There is little demand for meals during the winter months, but as some slight indication of the demand during the summer, it may be mentioned that 4,856 meals were provided in the month of September, 1918, at the 62 licensed houses outside the City of Carlisle (excluding hotels), which were then under the Board's management.

iv. *The "Trades Hall."* The "Lion and Lamb" Inn, a large old-fashioned house in a central position in Carlisle, was closed as licensed premises, but the rooms were re-decorated and let off for meetings. The building was re-named the "Trades Hall," and has been regularly used by many of the local Trade and Friendly Societies. In this way it has become the home of a number of such bodies, whose meetings were previously held in public-houses.

v. *"Mounsey Arms," Rockcliffe.* An experiment on the lines of a village club has been made at Rockcliffe, a small village about five miles from Carlisle. The two inns in the village were closed and the village institute was taken on lease by the Board. Here beer is sold and other refreshments (but not wine or spirits). It is too early yet to say whether the experiment can be called a success, as those most likely to use it, the young men, have been absent on military duty.



vi. *Coffee Carts.* As occasion required, and at frequented spots, the Board have provided coffee carts for the sale of tea, coffee, and light refreshments. These coffee carts were established for the benefit of munition workers and were much appreciated. The only one now in commission stands outside Carlisle Station from 10 p.m. to 7 a.m. each week-night, and notwithstanding that the munition workers' shift trains do not now run at nights, this cart still does sufficient trade to justify its retention.

vii. *Hotels.* In the course of taking over the licensed premises in the controlled area, the Board have had occasion to acquire a number of hotels as distinct from the ordinary public-house or inn. These are carried on in much the same way as before. They were conducted as hotels before the Board took them over, and no change except in re-decoration, furnishing, and equipment has been made in their status. Like all the licensed premises, they have been placed under the direct management of the Board, and managers with previous training have been appointed. Among these may be mentioned the "*Crown Hotel*," Wetheral, a popular fishing hotel on the Eden; the "*Victoria Hotel*," Carlisle, a commercial and residential hotel near the station; the "*Solway Hotel*," at Silloth, which, by reason of its proximity to the excellent Silloth Golf Links, is largely patronized. The "*Marine*," a first-class residential hotel at Skinburness, near Silloth, does a good seasonal trade; while the "*Waverley*," at Silloth, is well filled in the summer months.

Other hotels have also been decidedly improved by the Board's acquisition. The "*Graham Arms Hotel*," Longtown, for example, which formerly had a considerable reputation as a fishing hotel, adjoining the well-known Border Esk, was, when the Board took it over, devoted almost exclusively to the supply of drink to the crowds of navvies employed at the Gretna works, who lived in and near Longtown. It has been restored to its former character, and, under skilful management, it is again becoming the resort of anglers. Being on the Carlisle and Edinburgh main road, it will no doubt be a favourite house of call for motorists when the petrol restrictions are taken away.

The "*Golden Lion Hotel*," Maryport, is a similar example. It is the only building in the town of Maryport designed and carried on as a licensed hotel. Latterly it had declined considerably, but when the Board took it over it was re-decorated and placed under direct management, with results which have abundantly justified their action.

In the same way the "*Grapes Hotel*," Aspatria, which, when the Board took it over was almost entirely a drinking house has been re-furnished, and now does a fair country hotel trade.

The "*Kildare Hotel*," Wigton, is in a different category. The old posting hotel at Wigton, the "*King's Arms*," was in a very poor condition as regards structure and decoration, and had not for some time been conducted as a residential hotel. It would have involved a very large expense to have made it fit for its former use, and the Board decided to look elsewhere for more suitable premises. They were fortunate in finding and being able to purchase at a reasonable price a house which had been constructed for a club. This building has been equipped and furnished in accordance with its handsome design, and will now compare favourably with the principal hotel in any small country town.

viii. *Minor Improvements in Public-houses.* In addition to the reconstructions which have taken place, steps have been taken to make the remainder of the public-houses more comfortable, more easily supervised, and of a more cheerful character generally. With a poor structure to work on it has been difficult to do much in some of the houses, but by re-decoration, providing seats, and removing objectionable snugs and partitions which obstructed the proper supervision, a considerable improvement has been effected.

Practically all the back doors which were formerly used for trade purposes have been closed, and as far as possible the trade is conducted on lines which have been generally approved.

There is admittedly much to be done in the way of structural improvement, especially in the country districts, but as the scarcity of labour and materials becomes less marked a systematic effort will be made in this direction.

#### 10. PUBLIC ORDER IN CARLISLE.

Convictions for drunkenness are the only statistical records which in any way bear on the subject of the orderliness of a town, and as such are generally looked to in this respect. Probably the citizens of Carlisle would say that a fair picture of local conditions is painted by the police records which follow, at any rate as a comparison between one period and another.

The following table shows the rise and fall of the number of convictions for drunkenness in the City of Carlisle during the last four years:—

1914	...	...	Total	275
1915	(first 9 months)	107	}	" 277
	(last 3 months)	170		
1916	(first 6 months)	564	}	" 953
	(last 6 months)	389		
1917	(first 6 months)	229	}	" 320
	(last 6 months)	91		
1918	...	...	"	80



The great rise in the number of convictions for the fourth quarter of 1915 coincided with the coming of the navvies. In November, 1915, the Board's general restrictive Order was applied to the Western Border Area (which includes Carlisle), but the effect of this Order was small, as is shown by the enormous increase in the number of convictions for the first half of 1916. During the second half of 1916 the number of navvies remained practically stationary. Nevertheless the number of convictions dropped by 31%. This fact can only be explained by the change from private tenancies to management under the Board, which was begun in July and completed by the end of October, 1916. The Board's Orders were more rigidly enforced, partly because the managers had no pecuniary interest in the sale of intoxicants, but chiefly because the elimination of competition set them free to enforce the Orders more strictly.

The chart in the appendix shows the weekly average of convictions for 1914 and 1915, and the weekly average of successive periods of four weeks for 1916, 1917, and 1918. There have only been seven convictions in the first nine weeks of 1919.

Responsible local opinion has from the beginning recognised the value of the Board's work in the district. Many public expressions of appreciation have from time to time been made by responsible persons, and extracts from some recent ones may not be out of place.

The Mayor of Carlisle, speaking at the Annual Licensing Sessions on the 8th February, 1919, referring to the Chief Constable's Annual Report for 1918, that "... the report contained statistics which bore eloquent testimony to the effective work which had been accomplished and was still being accomplished by the Control Board, and which showed what could be accomplished by reducing facilities for excessive indulgence in alcohol. These statistics disposed once and for all of the statement frequently made that you could not make people sober by Act of Parliament."

The Chief Constable's Report referred to contains the following sentences:—

"The number of convictions for drunkenness in Carlisle during the year is the lowest on record during all the years in which statistics have been kept. The remarkable diminution in the amount of drunkenness is due to three main causes: (a) fewer houses, with less temptations to drink; (b) better supervision; (c) the scarcity of intoxicants, brought about by the Food Controller's Regulations, and not confined to Carlisle.

"So far as my knowledge and information goes the arrangements made during the year for the conduct of the trade have worked with remarkable smoothness, notwithstanding the difficulties of the situation, and to this is due, in large measure, the very gratifying reduction in the number of convictions.

"The beneficial effects of this increased sobriety are far reaching and fundamental. No statistics can be furnished from the nature of the case, but there has undoubtedly been a resulting improvement in the economic efficiency of the people, and the reduction in misery, crime, and degradation of every sort may easily be imagined."

That the appreciation of the Board's work is not confined to the City of Carlisle is shown by a speech of the Chairman of the Maryport Justices, who, speaking on the Police Superintendent's Annual Report for 1918, at the Maryport Annual Licensing Sessions on the 7th February, is reported in the "Cumberland News" to have said that:—

"He was not an advocate of prohibition; he believed in temperance, and in so far as the Control Board had gone it had been in the direction of keeping the people temperate. The scheme would have to be tried in order to see how it would work, but all things worked together for good, and he thought it would turn out so in the experiment the Government was now trying."

## 11. EXTENT OF THE BOARD'S PROPERTY.

In connection with the Carlisle undertaking the Board have become possessed of a large amount of property, which is summarised below. The greater part accrued to the Board as successors of the various firms and companies whose businesses have been acquired.

*Summary at 31st December, 1918—*

5 breweries.

279 premises which were licensed when acquired. Of these 58 have been dislicensed, the Board retaining possession of the property (in addition to which 47 other licences have been suppressed without the Board becoming possessed of the premises concerned), 164 have been placed under management, and the other 57 remain for the present in the hands of tied tenants.

The property let to tenants may be summarized as follows:—

	Total Rentals.
(1) Freehold licensed houses (39 tied tenancies) ... ..	£1,706 0 0
(2) Licensed houses held on lease (18 tied tenancies) ... ..	420 0 0
(3) Shops, offices, stores and other property in Carlisle (61 tenancies)	2,989 8 0
(4) Houses in Carlisle, Longtown, Wigton, &c., formerly licensed, now closed (38 tenancies) ... ..	1,549 10 0
(5) Cottage property in Carlisle (125 tenancies) ... ..	1,270 0 8
(6) Cottage property and shops outside Carlisle (141 tenancies) ...	1,138 5 6
(7) 84 acres of land let for farming purposes, &c. (12 tenancies) ...	218 10 0
	£9,291 14 2



## 12. FINANCE.

A statement of Assets and Liabilities as at 31st March, 1918, with relative Profit and Loss Account covering the period from the inception of the undertaking to that date, will be found in the appendix.

The capital involved in the undertaking at 31st March, 1918, amounted to £835,053 4s. 6d., made up of the items shown in the liabilities side of the statement, viz., £851,742 15s. 7d., less amounts due to ordinary trade creditors and accrued charges, £16,689 12s. 2d. This capital, of course, was not employed throughout the whole period, but accumulated gradually, until at that date it amounted to the figure mentioned.

The trading profits and net receipts from properties, after making provision for rent, repairs and alterations, licence duty, taxes—other than income tax (Schedule D) and excess profits duty—rates (or contributions in lieu thereof), managerial and architectural staffs, repairs to property and provision for those deferred owing to the war, and depreciation of fixed and loose plant, furnishings, utensils, and stocks, amounted to £201,726 17 5  
Against which was charged proportion of cost of alterations and improvements to property and fixed plant, being expenditure which it was considered did not increase permanent values ... .. 14,733 19 6

The profits carried to the Profit and Loss Account being ... .. £186,992 17 11

Which was applied as follows:—

Provision for interest on outstanding compensation claims and Exchequer issues ... ..	£54,146 7 7
Depreciation of leasehold properties ... ..	2,144 13 4
Expenditure incidental to acquisition (valuers' fees and law costs) written off ... ..	23,308 19 9
Surplus accrued to the Exchequer towards replacement of capital cost of undertaking ... ..	107,392 17 3
	£186,992 17 11

This surplus is equivalent to an additional return of 10% per annum on the whole capital involved (apart from accumulated profits), making with the interest already provided for, a total return of 15% per annum, after writing off preliminary expenses and the other special items referred to above.

Trading and Profit and Loss Accounts were prepared for the half-year to 30th September, 1918, and show that, notwithstanding the heavy increases in beer and spirits duties, and the increased cost of wages and materials, the net profits earned compared favourably with those of the corresponding period of the previous year, after taking into account the additional assets employed in the undertaking during the later period. It may be taken that the rate of profit earned during 1917-18 will be maintained during the current year.

## 13. LOCAL ADVISORY COMMITTEE.

A Committee of 24 men and women of local knowledge and experience has been associated with the Board throughout to advise on matters affecting local interests. This Committee has been appointed by the Board on the nomination of the various bodies enumerated below, and it has as its President the Earl of Lonsdale, its Chairman Mr. F. W. Chance, and its Hon. Secretary Mr. H. S. Cartmell.

The following is a list of the members, with the bodies by whom they are nominated:—

- The Mayor of Carlisle (*ex officio*), Mr. Bertram Carr.
- Mr. F. P. Dixon and Mr. G. White (Carlisle City Council).
- Mr. W. P. Gibbings (Carlisle Watch Committee).
- Sir Benjamin Scott, Mr. J. P. Buck, Mr. J. C. Dove, and Dr. H. Barnes (Carlisle Licensing Committee).
- Mr. T. Winder (Carlisle Trades and Labour Council).
- Mr. H. Riley (Cumberland Standing Joint Committee).
- Mr. G. A. Rimington (Cumberland Licensing Committee).
- Mr. W. Parkin-Moore (Allerdale-below-Derwent Licensing Justices).
- Mr. T. Carey (Maryport Licensing Justices).
- Mr. T. Hardy (Maryport Urban District Council).

There is also an additional member from the County of Cumberland—Sir Robert Allison; and three women members from the City of Carlisle and the County of Cumberland—Miss Creighton, Mrs. Scarr, and Mrs. Sewell.

Finally there are four members nominated by the Board—Mr. Waters Butler, the Rev. H. Carter, Mr. R. S. Meiklejohn, and Mr. W. Towle.

The Committee meets at regular intervals, when opportunity is afforded for full discussion on all matters which affect the public interest. The Board are very anxious to be kept fully in touch with local feeling and sentiment, and they welcome criticism and suggestions as to how the work may be improved. The one aim of the Committee and the Board is that the trade in all its branches shall be carried on under the best conditions, and that excessive drinking shall be eradicated.



## PART II.

So much has been said and written of the "Carlisle Experiment" (an experiment which was almost forced on the Board by the special circumstances of the time and place) that it will not be out of place to add to this report some observations on what has been done under circumstances which were as abnormal as they were difficult.

The licensing problem is one of the most perplexing of all social questions. Its satisfactory solution has baffled succeeding generations of politicians. Hitherto practically no attempt had been made on the lines of constructive policy. Restrictive measures in connection with the sale of intoxicants have always been a necessary part of our law, but it appears to be generally felt that in this country we have now come to a point when some drastic change is desirable in our outlook on this question, so that the facilities for reasonable alcoholic refreshments may be modelled on lines of comfort and enjoyment, with the all-important proviso that excess will not be tolerated. Indeed it is hoped by many that the influence of environment upon those who have a tendency to excess may be such that ultimately a stage may be reached when drunkenness is as rare as it was formerly common.

It is no doubt due to this widespread feeling that the "Carlisle Experiment" has attracted so much attention. No apology is therefore offered for the following reflections and remarks upon this piece of war-time reconstruction.

The system of direct control by the State, acting through the Central Control Board, was inaugurated for a specific purpose, and to solve a perfectly definite problem—namely, the extraordinary outbreak of drunkenness referred to at the beginning of this report. This was the operative cause of the Board's action. The opportunity presented by the unique position in which they found themselves, however, was felt to be one of which the greatest possible advantage should be taken, and it was determined to aim at making, if possible, the organization of the liquor trade in the area in which the Board were working, a model for the remainder of the community.

The model so presented will not commend itself to all. It will not be to the liking of those who consider that the only model is one where intoxicants are unknown. It will not satisfy those who would remove all restrictions from the sale of intoxicants. No attempt has been made to meet the views of extremists. The aim of the Board has been so to conduct the licensed trade in the area that the reasonable requirements of any man in the way of alcoholic refreshments—whether with or without food—should be met under the best possible conditions, consistently with the maintenance of proper restrictions, and that excess should be discouraged to the point of elimination. It is too soon yet to say that this aim has been achieved, but a beginning has been made which promises achievement if opportunity is given.

### I. THE NECESSITY FOR PERMANENT ACQUISITION.

It was obvious from the first that if the Board were to have an absolutely free hand in dealing with the problems raised by the presence of the crowds of hard-drinking men at Carlisle and in the neighbourhood, it would be necessary to acquire on a permanent basis the premises at which the manufacture and distribution of intoxicants were carried on. No temporary occupation of these premises would have been sufficient. The Board would have been hampered throughout by the necessity of considering the future status of the various properties and the interests of their owners subsequent to their being handed back. Such considerations would have hindered the Board's work at every point. Whatever was to be the future of the licensed trade in the district, it was quite clear that for the present the Board must have absolute control as owners of all the licensed premises in the neighbourhood. In this way they would be able to carry out any reforms which seemed desirable, to take full advantage of anything experience might suggest, and to adapt the licensed trade to any changes that might occur.

Nor was it sufficient for the Board to acquire and manage the retail interests only. No doubt from the point of view of the maintenance of sobriety and efficiency, the acquisition of the retail trade was the most important. It was through the retail trade that the Board were brought into immediate contact with their problem, and if it had been necessary to make a choice between acquiring the retail and the wholesale trade, undoubtedly the retail would have been chosen. If, however, the wholesale interests had been allowed to continue in private hands, there would still have remained private interests which would inevitably have clashed with many of the Board's proposals. To have five breweries competing for the trade of the Board's houses would not have been conducive to good management or to the proper enforcement of such restrictions as were laid down.

By their acquisition of the whole of the licensed trade in the district the Board were therefore released from many difficulties. Ill-regulated competition, which has been the root cause of so much that is undesirable in our licensing system, having been entirely eliminated, the Board could proceed to carry out their policy unhindered.



## 2. EFFICIENCY.

Primarily the Board's main object was efficiency. It was to increase the national resources, by removing, as far as possible, one of the factors that were lessening the output of munitions in the Gretna area. Drunkenness and excess had reduced this output below the maximum. It was the Board's aim to raise it to the maximum. The fact that the worker himself benefited mentally, morally, and physically in the process was, in the peculiar circumstances of the times, a side issue. In this way the work of the Board was distinguished from all forms of temperance activity which had preceded it.

For the attaining of their main object the Board relied chiefly on the managers of their public-houses, who were all carefully instructed as to the measures to be taken and as to the aim of the Board in the suppression of drunkenness and excess. By the removal of all interest in the sale of intoxicants and of all inducements to increase the sale, the managers were left free to stop selling drink to men who had already had enough. The standard to be aimed at was changed. It was not sufficient that supplies should be stopped to a man only when he had received so much as would enable him to get home without help from the police. The managers were instructed that nobody was to be served who showed the slightest signs of excess. Such instructions were in the early days well-nigh impossible of execution owing to the crowded condition of the public-houses, and the difficulty, amounting in many cases to an impossibility, of adequate supervision, but it was at any rate an advance on the old methods.

## 3. REDUCTION OF LICENCES.

One of the chief items in the Board's policy is the reduction of the number of licences in any given area to a point which will meet all legitimate needs without causing undue congestion in the houses that remain open. Everyone is agreed that in most towns of any size, especially in the older cities, the trade is insufficient to support all the licence holders, if nothing more than a legitimate trade is being carried on. The necessity of keeping or getting trade induces keen competition, and this is not conducive to the well-being of the customer or the good order of the houses. Naturally, where the licensed premises in any area are all under the control of a single authority, this undesirable competition disappears, and if there were no further factors to be taken into consideration it might appear that in a district where the liquor trade is conducted by the State, an undiminished number of houses would not be a very great evil.

On a number of grounds, however, the policy of reducing the number of licensed premises must still be pursued, even in such a district. In the first place, a larger number of licensed houses clearly involves a greater number of temptations to the man who has not yet learned to control in a rational manner his desire for strong drink. In the second place it is obvious that, as an ordinary business proposition, the distribution of supplies from a smaller number of houses, provided that they are capable of dealing with the total trade of the district, is more economical than the distribution from a larger number. The total expenses of management are cut down by the closing of each redundant house, and the properties so closed can be let or sold for other purposes. A third reason is that those houses can be closed which are, for one reason or another, unsuitable for the purpose to which they have been hitherto put. The old, evil-smelling, stuffy, ramshackle premises with which most towns of any size abound can be closed down, and the trade shepherded into larger, lighter, and more desirable premises.

In this respect, therefore, the Board's policy may be summed up in the phrase "fewer and better houses." The fewer the number of houses the less numerous are the temptations to excess, and the less the expenses of administration. The closing of the inferior houses leaves the better ones to take the trade, and these again can be improved and made still better. There comes, of course, a limit beyond which the number of houses cannot be reduced. What this limit is can only be discovered by experience. *A priori* assertions that one licence is sufficient for such and such a number of people are misleading. The number will fluctuate in different towns and under varying conditions. There need, however, be no limit to the improvement of those that remain, and this improvement again is a matter of experiment. A fuller consideration of this aspect of the Board's policy is given elsewhere.

At first it was impossible to close many of the houses owing to the congestion which this would have involved in those that were left. A few were, however, closed, those being chosen which from their position and structure made any supervision difficult and adequate supervision impossible. It has been one of the chief objects of the Board in dealing with the retail trade to make supervision as easy as possible. Publicity is the enemy of excess, and both in the selection of houses to be closed and in the plans for the reconstructed premises the Board have always had this principle in mind. It has been with this end in view that they have dislicensed so many houses situated in narrow streets and lanes, and



have closed practically all the back-door entrances to their public-houses. It has been with this end in view that they have removed objectionable and ill-ventilated snugs in their reconstructed houses, and have substituted light, airy, and well-ventilated rooms for the small dark compartments into which the houses were usually divided.

#### 4. CONCENTRATION.

It is a truism that concentration keeps down expenses. One of the greatest advantages, from a practical point of view, of the purchase and control of the liquor trade in any district by a single authority is that concentration can be carried to the utmost limits imposed by economic conditions. There is no necessity of considering anything beyond the efficient working of the whole organisation. Under normal conditions it is to the obvious interest of the owner of a group of public-houses to resist to the uttermost the closing of any one of them, because the trade from that house will not necessarily be diverted into the remaining houses owned by him. But under conditions such as those existing in the Carlisle district this necessity is entirely done away with. If one house is closed the major part of the trade immediately flows into a neighbouring one—not the whole of it—for it is found by experience that a certain amount cannot be traced. There is redundant trade no less than there are redundant houses.

The same thing applies on an even larger scale to the concentration of the manufacturing and wholesale side of the trade. The expenses of brewing at one brewery are naturally much smaller than the expenses which would be incurred if the same amount of beer were being brewed at four separate breweries. Concentration of the wholesale side of the spirit trade in one central store is very much cheaper, besides being much more satisfactory, than the carrying on of the same amount of trade at a dozen different places. The same applies to the bottling of beer. At Carlisle these results have been achieved in the manner indicated in Part I of this report. The closing of two of the Carlisle breweries out of the four has left them free to be used for other purposes, part of one of them having been converted into a hostel for workmen (a valuable consideration in view of the great shortage of house room in Carlisle) and the other one being let for storage purposes.

In view of the national shortage of transport of all kinds, special attention may be drawn to the saving in this respect which has been achieved by the concentration of the whole of the liquor trade of the district under a single authority. Full loads have been possible, and the overlapping of distribution has ceased. No actual figures are available, but the saving must have been considerable.

#### 5. THE ELIMINATION OF COMPETITION.

Probably the one result of the taking over by a single authority of the whole of the liquor trade in any district most fruitful in beneficial results is the entire cessation of competition in the sale of intoxicants. Such competition lies at the root of much of the excessive drinking in this country. Putting aside the drunkenness which comes from ingrained habit and that which is due to convivial drinking, a considerable proportion of the remainder is due to the fact that licensees cannot afford to drive their customers away. This will happen if they adopt a singular attitude as compared with their neighbours.

As has been stated, in most towns there are more licensed premises than the legitimate trade of the town justifies, and these are badly distributed. The consequence of this is that a considerable proportion of the licensees, in order to make a living at all, cannot adopt methods which make it difficult for their customers to drink more than they require. This is a proposition which no unbiassed social observer will gainsay, though nobody would maintain that a majority of licensees are in this position, and few would be found to blame the individual publican for a state of affairs of which he is rather the victim than the cause.

The ill-conducted house, under a system of keen competition, tends to drive out the well-managed one. Many will patronize the house where they have the greater freedom at the expense of the house where strictness is the rule. In this way a single house of inferior character will lower the standard of a neighbourhood.

This state of affairs vanishes at once when the whole of a given area is brought under the control of a single authority. There is sufficient trade in any area to ensure the profitable carrying on of the licensed business—provided there are no redundant houses and the trade is carried on with economy and proper business methods. There is, therefore, no need to resort to any methods of pushing the sale of intoxicants. There is not even the necessity of advertising, which is the least objectionable form of pushing. The customers will be served with what they want according to their legitimate desires, and no attempt will be made to induce them to consume more than they wish. This is not, of course, to say that drunkenness will be stamped out. There are other causes of drunkenness more difficult to eradicate than undue competition. But the drunkenness traceable to the pushing of the sale of intoxicants for the purpose of gain should disappear under any system where competition is absent.

It may not be amiss to mention here the fact of the easing of the strain upon licensees. All that side of the nervous energy expended hitherto by licensees—the anxiety as to the possibility of making ends meet, the strain of endeavouring to extend their business or to keep



together such custom as they have got—vanishes. Instead of the precarious profits of a business carried on under such conditions, a licensee receives a settled wage which is entirely independent of the amount of intoxicating liquor sold at his house. He becomes independent of his customers, and has no longer to give the benefit of the doubt to the man who claims, contrary to appearances, that he can safely carry another pint. He knows that a customer whom he has refused to supply will not be served next door. He can, in a word, exercise a wise discretion without the fear of becoming unpopular and seeing his trade flow to less strictly conducted houses.

## 6. THE BOARD'S MONOPOLY.

The financial success of the Board's undertaking at Carlisle has not been obtained through any sacrifice of the public interest. It is a common criticism of the policy of the public ownership of the means of manufacture and sources of supply of intoxicants that the desire to make profits out of the business will militate against the duty to conduct the business for the public good. It is feared that the elimination of competition between rival interests will be followed by the profiteering possible under a monopoly, and that the sale of drink will be pushed not less keenly than by a private trader competing with his fellows. It has been hitherto possible to meet these criticisms only by denying them. The assertion and the denial alike have been matters of opinion, and no proof has been forthcoming in this country at any rate on either side.

The Carlisle undertaking, therefore, supplies the material necessary for a reasonable answer to the foregoing criticisms. Against the statement that the creation of a monopoly in any district would tend to the raising of prices and the deterioration in the quality of goods can be placed the fact that in the Carlisle district the prices have not only not been forced up, but have been rigidly kept within the prices fixed by the Food Controller's Orders. Even the prices of bottled beer, which during 1918 were uncontrolled, have been kept at a reasonable level, as is proved by the fact that they were practically those fixed by the Food Controller in his recent Order (of the 5th February, 1919), under which the prices of bottled beer are now limited. Admittedly at the present time comparison as to quality is difficult owing to the shortage of brewing materials, but if the experience of the past two years is any guide, there is little doubt that when materials become plentiful the beer produced by the Board's brewers will not be lacking in quality. The fact, too, must not be overlooked that an undertaking of this nature is by its very novelty, and by its contentious character, subject to constant criticism and is continually in the limelight, a state of affairs which will necessitate a high standard of efficiency in management, and of quality in the goods produced.

With regard to the criticism that once public moneys are invested in a commercial enterprise everything will be sacrificed to the augmentation of profits, here again evidence is forthcoming from the history of the last two years at Carlisle that this criticism is ill-founded. The ownership by the State of a direct interest in the manufacture and sale of intoxicants has not by any means been followed by a policy of profits at any price. If this had been the case one particular branch of the Board's activities in the district, viz., the supply of food, would have been cut out. The sale of intoxicants is more profitable than the sale of food and non-alcoholic drinks. It requires less space for an equal turnover, and far fewer assistants. The gross profits may not be so great as on the sale of many non-intoxicants, but the net profits, owing to the smaller ratio of expense, are greater. Notwithstanding this it has been the Board's policy to make the provision of food an integral factor in the business. They have even offered a commission to their employees on its sale and on that of non-intoxicants in houses other than those specially constructed for a food trade, while no encouragement is given to increase the sales of intoxicants. That this is no phantom offer is shown by the fact that in the year nearly £700 was so paid to the managers of the ordinary public-houses in the district as commission on the sale of food and non-intoxicants. If during the past two and a half years the Board had been concerned with profits alone, the return on their capital could have been greatly increased.

## 7. RECONSTRUCTION.

As indicated above, the policy of the Board was to have not only fewer houses but better ones. From the very start, however, an important, and what later became an almost irremovable, obstacle was encountered. Better houses means building new ones or remodelling old ones. Building means labour and materials, and labour and materials were more urgently needed for other purposes. The Board's programme had, therefore, to be very strictly limited. Probably if they had started a year later there would have been no reconstruction possible during the war. As it was, however, they were able to take in hand works of reconstruction at eight premises at Carlisle, and at one house in Longtown. These alterations were not all commenced at the same time, and the experience gained from the earlier experiments was utilised in the later ones. In all except one of the reconstructed houses proper provision was made for the supply of cooked meals. One or more rooms were set apart for the purpose, and adequate kitchens were provided, having easy connection with the dining-rooms.



As regards the drinking portion of the premises, the Board's aim at first was to have a large open hall with a small service bar and tables, with chairs and seats round for customers. Standing at the bar to drink was to be discouraged, and customers were to be urged to sit at the tables and have their drinks brought to them. This arrangement was not popular. The British drinker does not appear to like too large an open space. He prefers a room of moderate size where he can sit with his friends. Failing this, he has become so accustomed to a long bar against which he can lean and on which he can put his glass, that it is contrary to his custom to remain seated. At the Irish Gate Tavern, therefore (one of the latest houses to be reconstructed), the original plan was modified, and the open space was cut up into three or four spaces, each about the size of an ordinary bar parlour, separated by latticed partitions. These partitions gave the space which they bounded a sense of privacy, and they were at the same time easy of supervision by the manager and his assistants. So far this type of house has proved more popular than the earlier pattern, although it is too soon to say that any settled opinion has yet developed on this point.

Limited as they were alike in labour and materials, the Board aimed at building, as types, houses suited to the needs and demands of the various classes of the population. There was much criticism when the Citadel Tavern was opened, on the ground that it was not necessary to the promotion of the Board's ostensible object, viz., the efficiency of the Gretna munition worker and the increase of output at the factory. The prices charged at this house, which is a restaurant of a good class, were on a higher scale than the prices at the other taverns. The answer to this criticism is that though the Citadel Tavern did not directly promote the Board's main aim, it was nevertheless an integral part of their general duty, inasmuch as the whole of the licensed trade had been acquired, to cater for people of all classes, the professional and business class as well as the wage-earners. The Citadel Tavern is the Board's attempt to provide a licensed refreshment house for the former class, and the extent of the trade done there fully justifies the Board's action.

The Board have, in short, endeavoured to erect what they regard as typical houses of refreshment for the various classes of the community. Such reconstructions are obviously in the nature of an experiment, and no claim is made that the last word has been said as to the form which these should take. The only way of attaining to the ideal is to experiment and make each new design embody the virtues of its predecessor and avoid its faults, while providing for the particular object in view.

#### 8. THE SYSTEM OF DIRECT MANAGEMENT.

When the Board first decided to acquire and conduct the whole of the licensed business in Carlisle and neighbourhood, it was decided that the retail trade should be carried on by managers directly responsible to the Board. The arguments in favour of tenants being more suitable as licensees than managers are well known and need not be recapitulated here. The decision to employ managers rather than tenants at the licensed houses was a deliberate one, and was only come to after the whole question had been carefully considered. It was decided that the intoxicants should be retailed by persons having no pecuniary interest at all in what they sold, and the terms on which the managers were appointed were such as to make it to their financial advantage to push anything else but the sale of intoxicants. In this way they differ from the manager appointed by the ordinary brewery company, whose duty it is to see that the trade of the house does not diminish, and who will not be overlooked when promotions occur if the trade at the house under his management is found to increase.

This does not imply that the managers are encouraged by the Board to neglect the carrying on of their business in a strict and business-like way. If the trade in intoxicants goes down the manager is not *ipso facto* commended. The falling off in receipts may be the result of the manager's carelessness in supervision or in his conduct of the house. Such intoxicants as he does sell must be accounted for at the ordinary retail prices, and in order to ensure that money is not lost by the carelessness or dishonesty of the manager, stocks are taken at the various houses at convenient intervals, and the actual takings carefully checked with the estimated takings. This work is carried out by a number of skilled stocktakers, who visit the houses in rotation, and the results are worked out at the Central Office and checked with the paying-in sheets supplied by the Banks at which the takings are deposited. If a manager's stocks are continually bad he is personally warned, and if no improvement occurs his services are dispensed with.

The system of direct management ensures that instructions from the Board are quickly conveyed to the managers, and as they are paid servants of the Board it is their duty to see that the instructions are strictly carried out. The Board would have no such hold over a tenant. The relations between the Board and licensee would be those of landlord and tenant, and would be defined strictly by the tenancy agreement. The relation of master and servant is a closer one, the manager knowing that it is his duty to carry out any orders or instructions given by the Board.



There has been criticism of the Board's policy of taking on as managers the previous licensees of the houses which have been acquired. It has been said that these licensees have been brought up to conduct the licensed business in a certain way, and that they are unlikely to change their methods and theories by reason only of their becoming managers under the Board. While in theory this is no doubt true, in practice it has been found that in the great majority of cases where the former licensee has accepted the Board's offer to continue as manager, he has accepted loyally the new conditions, and has done his or her best to carry on the business according to the wishes of the Board. There are no doubt exceptions, but these have certainly not been so numerous or of such a character as to lead the Board to the conclusion that their policy in this respect has been a mistaken one. Even if there had been a large number of such cases they would not have been sufficient to have altered the decision of the Board to give the dispossessed licensee a chance of making good under the new system.

#### 9. POPULAR MISCONCEPTIONS.

It is believed that when the general public are in possession of the facts regarding the restrictions imposed on them during the war in the matter of the supply and consumption of intoxicants, and after the specific war-time restrictions imposed by the Board and the Food Controller, and not confined to this area, have been removed, most of the misapprehension as to the Board's policy at Carlisle will be a thing of the past. The average drinker in Carlisle realises that his beer and spirits are expensive and are also weaker than he likes. He is further irritated by their scarcity. He knows that this state of affairs has arisen since the Board commenced operations at Carlisle in July, 1916, and therefore very naturally concludes that the Board are responsible for all these things. He knows little of the conditions in other parts of the country. As a matter of fact, the Board are not, and never have been, responsible for the shortage of beer or for its weakness.

On the question of cost, the public forget that the beer duty has been raised from 25s. to 50s. per standard barrel, and they are hardly likely to know that on a considerable proportion of the beer supplied in Carlisle a further impost of 25s. per standard barrel is levied by the Food Controller. This means that when 4d. is paid for a pint of beer, more than 1d. of it goes to the Exchequer in the form of taxes. So, too, the duty on spirits has been raised from 14s. 9d. to 30s. per proof gallon, with the result that when a customer pays 9s. for a bottle of whiskey he is contributing 3s. 6d. to the taxation of the country.

The Board were, on the other hand, responsible for Sunday closing and "Spiritless Saturdays" in the area. These were war measures—the first one designed to bring the southern fringe of the Gretna munition area into conformity with the greater part of the area, which is situated in Scotland, and as such subject to Sunday closing; the second being aimed (and with great success) at reducing drunkenness on Saturday nights. These two restrictions, now that fighting has ceased and the importance of keeping up the output of the munition area at its maximum is diminished, have been removed by the Board.

Notwithstanding the restrictions the public at Carlisle have been treated fairly both as regards prices and supplies. Before the Food Controller's Order limiting prices came into force the Board were selling at Carlisle at prices which compared favourably with those in any other part of the country. Spirits have in many cases been sold below the maximum prices. Spirits in bottle have been and are publicly offered for sale (of necessity in decreased quantities) at the Food Controller's price, which has not been the case in many towns, where practically the whole of the available supplies have been reserved for the more profitable sales in small quantities for "on" consumption. Moreover, an adequate stock of spirits has been supplied to the Board's houses earmarked for sale on medical certificates only, with the result that in Carlisle and district nobody in urgent need of spirits for medicinal purposes need go short.

The ordinary draught beer which has been produced, though necessarily suffering from lack of adequate material, has been quite as good as any produced at the same gravity. The Board, instead of concentrating on beer of a heavier gravity, such as has been sold at high prices in many places, have contented themselves with brewing only a small quantity of this beer, all of which has been bottled and sold at a reasonable price. In brewing so large a proportion of the lighter beer at the fixed price of fourpence per pint they have, so far as possible, insured that the working-classes in the district should not lack their favourite refreshment.



The rationing schemes have resulted in the houses being kept supplied at all opening periods with a proportionate supply of both beer and spirits, and customers have known that they would obtain their specified quantity. This has obviated the discomforts and uncertainties of "rush drinking," varied by periods when the houses were not open. Food has been provided in the dining-rooms attached to the Board's food taverns, of good quality and at reasonable prices. Above all, the working-classes have had the comforting knowledge that all profits made from the manufacture and supply of intoxicants in the district have gone, not into the pockets of shareholders, but into the coffers of the State.

#### 10. FINANCIAL ASPECT OF THE SCHEME.

Financially the Carlisle and district undertaking has been a success. There would have been something radically wrong with the organisation and management of the concern if it had not been. The economies made possible by the concentration of all brewing into one brewery instead of four, of all blending and wholesale distribution of spirits into one central store instead of in a dozen different places, and of all the retail trade into 65 houses instead of 115 are too obvious to require emphasis. The total cessation of advertising, moreover, has meant a substantial saving. A further point to be noticed is that where no competition enters into the trade there is no necessity for public-houses to occupy the strategic positions they now hold in most towns. Advantage has been taken of this in the re-building scheme of the Citadel Tavern. Although it is part of the Board's policy to keep public-houses as far as possible on the main thoroughfares, at least three licences have been abandoned which were attached to premises situated in positions of considerable value for business purposes.

On the other hand, it must not be overlooked that the Board at Carlisle are in a double capacity. They are not only brewers—and as such endeavouring to get the best legitimate return for their invested capital—but they are a body whose function it is to exercise control over the consumption of intoxicants, and who are in this capacity precluded from doing anything in the nature of pushing their wares. The undertaking, again, is by way of being regarded by many as a most important social experiment, and considerable time has to be devoted to the demonstration to visitors of the outstanding features of the Board's work, such visitors being many in number and diverse in opinion. (It is an interesting though not a surprising coincidence that a well-known temperance writer should arrive on a tour of inspection on the same day and at the same time as the Chairman and Vice-Chairman of the Licensed Victuallers' Central Protection Society of London.) No effort, however, is spared to eliminate waste, whether of material, labour, or time, and to conduct the business in as keen and economical a fashion as is consistent with efficiency.

The result is one of which no Brewery Company need be ashamed. The figures which appear in the balance sheet and the profit and loss account contained in the appendix are in themselves correct, but need some explanation to make them give a true picture of the financial situation. They include the period from January, 1916, to the end of March, 1918, or two and a quarter years' trading. It would be assumed by anyone examining the figures without further explanation that the whole of the capital involved in the undertaking was earning income from the beginning of 1916—an assumption which is very far from being correct. A completely different state of affairs is indicated when it is remembered (as is the case) that during the first six months of 1916 the capital involved amounted to not more than about £60,000, and that from July, 1916, onwards it was mounting up only at a gradual rate, and had not reached its maximum until the very end of the accounting period. The rate of profit, therefore, earned by the capital on an average is a considerably higher figure than would appear from the accounts.

Moreover, in comparing the results of the Board's trading with the results achieved by brewery companies in this country during the same period, the different forms of capital involved in the business of these companies must be allowed for. It is not a fair comparison to assume that the whole of the capital involved in the Board's undertaking corresponds with the ordinary shares in a limited liability company. If the total capital of the Carlisle undertaking were divided up into ordinary and preference shares and debentures in the same ratio as the capital and liabilities of most of the brewery firms, the resulting profit on the ordinary share capital would compare very favourably with the declared dividend of any private concern. In other words, to say that the Board earned 15% on the capital involved is a very different proposition from saying that a certain brewery company declared a dividend of 15% on its ordinary shares, when it only paid 6% on its preference shares and 5% on its debentures.



As there were many claims for compensation still outstanding, it was impossible to prepare a statement of the accounts for publication until 31st March, 1918. Even at that date certain of the figures which go to make up the assets and liabilities were based on estimates, but by October, 1918, when the statement shown in the appendix was made public, so many of these claims had been adjusted that these estimates were ascertained to be approximately correct.

This statement shows that at 31st March, 1918, the written down values of the assets of the undertaking amounted to £851,742 15s. 7d., the capital funds involved being provided from the sources shown in the liabilities side of the statement.

The values of the assets were arrived at after writing off against profits all expenditure on improvements to properties, which it was considered did not increase their permanent values, and after making liberal provision for depreciation of leaseholds, fixed and loose plant, tools and utensils. The stocks on hand were valued at cost or market price, whichever was the lower, while a reserve was created out of profits sufficient to reduce the maximum book values of stocks in bond to those fixed by the Ministry of Food.

As shewn on page 10, the total capital involved in the undertaking at 31st March, 1918, including accumulated profits, amounted to £835,053 3s. 5d.

The issues made from the Exchequer at various dates to meet capital expenditure on land, breweries, maltings, spirit stores, licensed and other premises, plant and utensils, expenditure incidental to acquisition, and to provide working capital, amounted, after crediting proceeds of sundry realisations, to	£343,719 13 9
of which there was repaid out of profits, in respect of (a) preliminary expenses, (b) depreciation of plant and furnishings, and (c) improvements and alterations written off	56,089 6 9
	<u>£287,630 7 0</u>
while the surplus profits also accrued to the Exchequer (in addition to £13,830 4s. 9d. of interest*) amounted, as shown by the profit and loss account, to	107,392 17 3
The outstanding issues from the Exchequer at 31st March, 1918, as shown in the statement of assets and liabilities, being	<u>£180,237 9 9</u>

The trading profits of the undertaking from its inception to 31st March, 1918, after making provision for rent, repairs, and alterations, licence duty, taxes—other than income tax (Schedule D) and excess profits duty—rates (or contributions in lieu thereof), managerial and architectural staffs, repairs to property and provision for those deferred owing to the war, losses on realization of surplus plant and of furnishings removed from houses closed, and depreciation of fixed and loose plant, furnishings, utensils, and stocks, amounted to

£201,726 17 5

Against which was charged proportion of cost of alterations and improvements to property and fixed plant, being expenditure which it was considered did not increase permanent values

The profits carried to the Profit and Loss Account being	£186,992 17 11
Deducting from this—	
Depreciation of leasehold properties	£2,144 13 4
Preliminary expenses (valuers' and surveyors' fees, law costs, &c.) incurred to date	23,308 19 9
	<u>25,453 13 1</u>

There remained a balance of £161,539 4 10

Out of which was provided interest on outstanding compensation claims, and on outstanding Exchequer issues, amounting to

54,146 7 7

Leaving a surplus, which accrued to the Exchequer as it accumulated, and was credited in the accounts of the Board to a reserve for replacement of the capital cost of the undertaking, of

\* The interest (£13,830 4s. 9d.) on the issues from the Exchequer is calculated on day-to-day balances at rates fixed from time to time by the Treasury, the current rate being 5½%.



Interest on the outstanding daily balances advanced by the Exchequer from the inception of the undertaking to 31st March, 1918, amounted to £13,830 4s. 9d. The surplus of £107,392 17s. 3d., therefore, represents a much higher rate of interest than the 15% on the Exchequer issues actually advanced for the purposes of the undertaking, in addition to defraying out of revenue the preliminary expenses and the proportion of the cost of alterations referred to above.

To sum up, it may be stated that the profits shown have been earned on assets which have been in use for a period averaging not more than 18 months, in that the properties were taken over gradually, and the figure representing the assets in the accounts is the final figure at the date of the statement.

These profits from the inception of the scheme have sufficed—

(1) to meet all ordinary recurrent expenditure and depreciations charged on a severe scale;

(2) to defray extraordinary charges for preliminary expenses and reconstruction not estimated to add to realisable properties;

(3) to pay interest on the net sums issued from the Exchequer; and

(4) to replace upwards of one-fifth of the average capital employed in the scheme, after allowing for the fact that the accumulation of the capital is gradual.

## 11. CONCLUSION.

In reiterating the fact that the primary reason for the Board's enterprise in the Carlisle District was the necessity for obtaining and maintaining the greatest efficiency at the Gretna Factory, it may also be recalled that to-day the liquor trade in an area of some 300 square miles, with a population of about 115,000, is being conducted almost entirely on lines which differ fundamentally from those obtaining in other parts of England.

Such dissatisfaction as exists in the district is concerned less with the scheme itself than with matters which are causes of common dissatisfaction throughout the country, namely, the shortage and weakness of the liquor supplied. The Board's policy and methods have received a large measure of local approval, and the attention—or rather the absence of attention—which they received on the occasion of the recent General Election seemed to show that local opinion was not greatly exercised with regard to the present regime.

This was surprising, as any attempt to deal with such a thorny subject as licensing was calculated to arouse the keenest controversy. From whatever side it was approached there were difficulties. The interests or views of the consumer, the teetotaler, the wholesaler, the retailer, the owner, and the Exchequer, however diverse, had all to be borne in mind. If any one section were wholly satisfied, failure was foredoomed. The attempt was made to do substantial justice to each, and it remains to be seen what the future has in store when war-time shortages and restrictions have been eased. The bricks and mortar of the licensed premises in the district will remain, and the business attached to them must presumably be carried on. It is for the Government to say how the nation's property shall be dealt with, and in forming a decision, unprejudiced local opinion on the results will naturally have weight.

What has been done at Carlisle has already been scrutinised by many distinguished visitors. The words of the spokesman of one of the parties of newspaper editors from the Colonies and the United States, who visited Carlisle in the Autumn of 1918, may be quoted, as giving the opinion of an intelligent and impartial observer. As reported in the "Carlisle Journal" of the 22nd October, 1918, Mr. F. P. Glass, of the "Birmingham News," Alabama, U.S.A., said that—

"At Carlisle they had been shown the endeavour to solve the drink problem, which was a tremendously interesting matter to every American. . . . After what they had seen in Carlisle he hoped they would go back and teach their people that there was a better means of stopping the drink evil than by stopping its manufacture and sale. . . . Limitation of the evil of the drink problem was the true thing, and it was delightful to them to see that in Carlisle so much had been accomplished. . . . Very substantial results had been achieved at Carlisle. . . . In Carlisle, one of the oldest centres in England, they had learned one of the most modern of lessons, and he was sure they were going to be vastly benefited by their opportunity. . . . He had been impressed with the sanity of what was going on in this typical English city."



Whatever be its fate, the "Carlisle experiment" will have left its mark on the social history of this country. It is the first piece of constructive licensing reform undertaken with the prestige and authority of a Government Department. It has shown that the liquor trade can be carried on, subject to reasonable regulations, without detriment to the well-being of the community, and without undue interference with the liberty, tastes, and preferences of the large mass of the adult population. It has shown that the transfer from private ownership to public control can be carried through without undue friction and without loss to the national exchequer. Above all it has offered a new solution of the problem of intemperance.

EDGAR C. SANDERS

General Manager.

19 CASTLE STREET,

CARLISLE,

12th March, 1919.

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*The Appendix contains the following :—*

1. Chart shewing convictions for drunkenness in Carlisle.
2. Map of Carlisle shewing licences extinguished.
3. Statement of Assets and Liabilities as at March 31st. 1918.