

For the last 50 years temperance reformers of all shades of opinion have been endeavouring to find solutions of the problem of intemperance. The results so far have been meagre; for although few will be found to deny that the country as a whole is more sober at the present time than it was half a century ago this increase in sobriety has been the result of a more enlightened public opinion on the matter of drunkenness, rather than of the efforts of temperance reformers. The proportion of moderate drinkers to the total adult population was never so high as it is to-day. At the same time the present amount of excessive drinking in the country is such that nobody who has the national welfare at heart can look with complacency upon what has been achieved. The amount of drunkenness in our large towns is even at the present time appalling.

There is little doubt that so long as intoxicants are procurable, some men will get drunk. There is no absolute cure for drunkenness other than a complete and successful ban on the manufacture, sale and supply of intoxicants. Opinions will always differ as to whether, seeing that absolute prohibition is not within the range of practical politics, the energies of reformers are or are not wasted in the search for and application of palliatives. The danger is that those who desire prohibition are willing, in the meantime, to leave the brewer and the licensed victualler to exploit the weakness of their fellow men for their private profit. The more practical minded man will contend that in temperance reform as in all human affairs half a loaf is better than no bread. He will point out that none of the reforms he advocates will militate in any way against the ultimate triumph of the prohibitionist, but will in some degree rather advance it. It is safe to say that at the

present time the irreconcilable prohibitionist is in a very small minority, and that the vast majority of those who have the sobriety of the people at heart are willing and anxious to support any measure which will help, even a little, in the required directions

Is there to-day any possible line of reasonable reform from which we may hope for some real temperance advance? Is any readjustment of the liquor trade possible having regard to the statutory title now possessed by the holders of licences, by which the will of the people may be carried into effect? If such will is that the sale of intoxicants should continue but under conditions which shall rob an admittedly dangerous trade of some of its perils, then the first step must be for the State to become master in its own house again. There appear to be only two practical courses open to attain this position, first, a time limit, until the expiration of which all the old faults will continue and become intensified as the years pass; and second, State Purchase. He would be a bold politician who would champion the former with the recollection of the 1908 Bill fresh in his mind. In the present state of public opinion there could be no chance of such a Bill passing, nor is the country content to wait for many years before it can put into effect those reforms which are agreed to be necessary. On the other hand, State Purchase, if it be practicable, would at once brush aside all the difficulties which arise from vested interests.

Lord Sumner's Committee in 1917 saw no insuperable difficulty from the financial point of view in carrying out State Purchase. It exhaustively dealt with most of the points of difficulty which have occurred to those who have considered the subject. It did not, however, consider the

question from the point of view of the public benefit. The consumer has almost invariably been left out of consideration when the licensing question has been before Parliament. This point of view cannot be better stated than in the words of a member of the Liquor Control Board, Mr. Waters Butler, who is also the head of a large firm of brewers in the Midlands, owning some 1500 licensed houses. In an interview reported in the "Westminster Gazette" in October 1919 he says:-

"..... in negotiating reductions of licences, transfers, improvements, and so on, with the Licensing Bench we soon found ourselves up against the difficulty of the small owner. As a rule the small brewer owns the lowest type of licensed house. But if the Justices withdraw the licence from one of his nine houses on the ground that it is redundant, in all probability they will make his whole business unprofitable. They might as well take away the whole nine as the one as far as he is concerned. This fact is a continual stumbling-block in the way of the reduction of licences.

Again, supposing you have two public houses in a street, one with good premises and management, the other of a lower class altogether. In nine cases out of ten the former will belong to a large company, the latter to a small firm or to an individual owner. When the case for reduction comes up, the Justices, inspired by sentimental reasons, will say "The large company will not feel it", and take away the licence of the better house - which is quite contrary to the public interest.

In the matter of improving the premises, we are met with the same trouble. The small man cannot afford to expend the money. And the Justices will refuse consent to the large firm's application on the ground that it will ruin the other's business.

It is notorious that the difficulties of management are intensified in the small house. The owners or managers of these places cannot afford to offend a customer by strict adherence to the spirit of the licensing laws. So all kinds of abuses and evasions of the law creep in, which would not for a moment be sanctioned in the houses owned by the large firms. Yet under the present system it is mainly these houses which receive the most consideration from the Licensing Bench.

The pretension that the Trade can put all these matters right is sheer nonsense. With the utmost goodwill in the world they are powerless to do so, so

long as the competitive element remains, and that means so long as the trade rests in private hands. Competition compels me to brew and sell a stronger liquor than I would like to produce. Competition compels publicans to wink at practices they acutely dislike.

All these matters could be rapidly reformed if the State purchased the Trade - lock, stock and barrel. Uniformity of management, economy of production, ruthless cutting down of licences to the actual needs of the community, the elimination of bad liquor, and immense saving in transport, as well as the general provision of amenities and the rigid insistence on regulations for the prevention of excessive drinking - these are the benefits which State Purchase would confer upon the community

In view of these and many other considerations I might bring forward, I am of opinion that a fair scheme of State Purchase would be best for the community and best for the trader."

When we find a Committee of experts, such as those who sat upon the Sumner Committee, raising no serious obstacles to State Purchase on the financial side, coupled with the emphatic advocacy of one who is an expert in every phase of the brewing and licensed trade, it is hardly necessary to insist that such a policy is within the range of practical politics. But as is well known, the State now has an example of what can be done on such lines in what has come to be generally referred to as the "Carlisle Experiment." To quote Lord D'Abernon, the Chairman of the Board, "The Carlisle scheme was not instituted as a deliberate experiment in State Purchase", yet as so often happens when a break is made with tradition, much useful experience is gained. This has, no doubt, been the case at Carlisle.

The scheme was started in the middle of 1916, because the establishment of the huge munition works at Gretna gave rise to a local liquor problem of extreme difficulty for which the ordinary machinery of control was utterly inadequate. In November, 1915, the usual restrictive order of the Control

Board, which was afterwards applied to most of the country, has been made with regard to a large area of which Carlisle practically formed the centre, but as Lord Astor in his then capacity as Member for Plymouth and a member of the Liquor Control Board told the House of Commons in October, 1916, "The law of the land which happened to be the restrictions of the Board in that area was to a great extent a dead letter." The local authorities were agreed that some drastic remedy was required to cope with the state of affairs which existed in Carlisle and its neighbourhood in the spring of 1916 and in June of that year the Liquor Control Board decided to purchase the whole of the liquor interests, both wholesale and retail in Carlisle and its neighbourhood so that an effort might be made on new lines to remedy the evils then existing. The urgent necessity for an enormously increased supply of munitions demanded prompt action. This decision having been taken, the Board acted speedily and the measures referred to below were carried out as each one became possible.

Happily in putting these measures into effect all that was best in the existing local machinery was utilised. Thus in taking over both the wholesale and retail businesses those who knew the local circumstances and were likely to prove of the greatest assistance in the new undertaking were retained. All the details of the business were managed locally, subject to the general directing energy and power which was vested in the Board. In order that local opinion might be consulted on all important matters an advisory committee was set up in September 1916, through which there has always been a medium of communication between the public and the Board. This Committee, which meets monthly, and oftener if required, consists of 24 members, representing the County, the Municipal and the Licensing Authorities, Trades and Labour Councils, with representatives

of the Board. Amongst its members are three women; the chairman of the County Quarter Sessions; a former county Member of Parliament; a former Member for the City; an eminent physician and an ex-brewer. The Clerk to the Licensing Justices of the City is their Hon. Secretary, while the General Manager, who is resident in Carlisle, attends all the meetings of the Committee and is always approachable by any of the members.

The Board's powers enabled them to take over the licensed and other premises to be acquired on a ten days' compulsory notice, leaving the question of compensation to be determined later. The measure of compensation was determined in due course by negotiation between an experienced valuer acting on behalf of the Board and the expert representatives of the parties interested. So far over 95% of the claims have thus been amicably settled.

As each public house was acquired it was carefully considered whether the licence should be continued or suppressed. In making the selection those licensed premises were naturally closed which from their position or structure were unsuitable for the trade carried on therein and 119 licences which existed in the city when the Board commenced operations have been gradually reduced to 69, a reduction of 42% in Carlisle itself. In the surrounding country areas the licences have been reduced from 84 to 45, a reduction of 46%. Under the ordinary law it would have taken 40 or 50 years to effect a clearance of these redundant licences.

The licensed premises which remained open were placed under direct management, and thus was established the principle of the elimination of private interest in the sale of intoxicants. In the case of non-intoxicants, the managers are given a commission of 25% on the gross profit arising from their sales. The licensees and managers under the old system were, as far as possible, offered the new posts, and a large proportion of them accepted.

All the grocers' licences were suppressed and the trade was diverted to the wine and spirit merchants' stores which are conducted on behalf of the Board. As is well known it is the privilege of every holder of a full licence to sell spirits for "off" consumption. It was felt that this was unnecessary, and the off sale of spirits is allowed in only 13 of the 69 houses in the city which now remain, and these 13 are at convenient points so as to give reasonable facilities to persons living in every part of the city.

It was decided to abolish the advertisements of intoxicating liquor which disfigure the exterior and interior of most public houses in our towns. All such advertisements have been removed and the only indication that the premises are licensed is now the name or sign of the house.

In the early days of the Board's ownership drunkenness was far too prevalent on Saturdays owing to the influx of navvies from Gretna and elsewhere. It was therefore decided by the Advisory Committee, after considerable discussion, to recommend the Board to prohibit the sale of spirits on that day. The step was taken in February, 1917, and the result was very remarkable. On the eight Saturdays preceding the spiritless Saturday order there were 45 arrests for drunkenness or an average of 5.6 per Saturday, whereas on the 44 remaining Saturdays of that year there were only 24 arrests or an average of .5 which seems to show clearly that drunkenness is largely due to the consumption of spirits.

Circumstances having altered, and on account of local sentiment "spiritless Saturdays", and total Sunday closing, which had been imposed in November 1915, were annulled a year ago, as the Committee were of opinion that this special war measure was no longer justified. The facts go to show that under State Management it is possible to deal with purely

local conditions from time to time as circumstances may require without having to consider any interests than those of the public, and in connection with this there is a point which illustrates the great advantage of removing the vested interests from the sale of intoxicants. In many parts of England there has been agitations for increasing the hours of sale on market days and on other regularly occurring occasions. These agitations are represented as the wish of the public. In Carlisle where the public could make known if they desired their wishes in such a matter there has been no similar demand, and one cannot but suspect that the public in other places are only stirred up by vested interests and persuaded that there is a grievance. If this be so it means that once the vested interest is got rid of, Parliament and local opinion will be able to express an unbiassed judgment on these matters. The provision of food and the improvement of the houses have been the most important steps in the policy of providing houses of refreshment rather than mere drinking shops. In July 1916 a month after it was decided to place the area under State management, the well known Gretna Tavern in Carlisle was opened. It so happened that the General Post Office had just been moved to a new building. The old building, which is in a central position, was speedily converted into a licensed house of refreshment, the sorting office becoming a dining hall with sitting accommodation for about 200 persons. In this hall intoxicants are only supplied with food. There is also a bar in a separate room formerly used for the public postal business and an adjoining hall, previously occupied by the telegraphists has been recently added and is a valuable adjunct to the Tavern. The Gretna Tavern was popular from the first and has always done a large

trade in food, the takings for food throughout the time during which the Tavern has been open amounting to just on 60% of the total takings. In May 1917 it had the unique distinction of a visit from the King and Queen, who evidenced much interest in the arrangements of this State public house. Further steps were taken to provide similar accommodation at seven other points in the city where public houses were reconstructed as "food taverns", meals being provided in rooms separate from the bar. That this is appreciated is shown by the fact that the sale of food in these houses amounted to £18,648 in 1919, and the number of meals supplied was about 500,000. There has also been a sustained effort to provide light refreshments at a number of the ordinary public houses, but it is found that the food taverns supply practically the whole of the local demand. Considerable improvements have also been carried out at a larger number of the ordinary public houses so as to provide better accommodation for customers; improved sanitary conveniences; better living accommodation for the managers and other amenities. Similar improvements are taking place in other parts of the area including the overhauling of the residential hotels which have come into the Board's possession.

All these schemes of reconstruction and alteration represent much care and thought, and the houses have been visited by persons representing all shades of opinion, licensing justices, temperance reformers, brewers, licensed victuallers and many others, with the purpose of investigating the conditions under Government control, and they all admit that they take away new ideas as to the lines on which public houses may be reformed.

Some of the country inns have been remodelled and in several of them on frequented roads a tea room has been set apart for light refreshments. As showing public appreciation of these arrangements, it may be mentioned that during the six months ending 31st December 1919 25,800 teas and other meals were served in these inns, the whole profit on which was taken by the managers of the houses.

To give some idea of what single ownership means in the matter of the wholesale trade it should be stated that in Carlisle there were four breweries when the State took over the trade, now there is only one at which is brewed almost the whole of beer consumed in the Board's houses. The bottling of beer previously carried on in 12 or more different places is now conducted on up-to-date lines at one of the old breweries, and the wholesale spirit trade, which was formerly operated from 13 different places in Carlisle is now conducted in one central spirit store equipped with up-to-date plant and machinery. This concentration means a great saving, which the General Manager estimates as not less than £25,000 per annum.

The general public is entitled to ask two questions, first, what is the social effect of the change, and second, what are the financial results.

Social improvement is a difficult thing to measure but statistics for convictions for drunkenness and the opinions of unbiased persons who have had the opportunity of carefully weighing the question are helpful in arriving at reasonable conclusions.

The pre-war average of convictions for drunkenness in Carlisle was about 250 per annum. In 1914 there were 275 convictions in 1915 277, in 1916 953 (due in large measure to the influx of navvies at Gretna) in 1917 320 (the first complete year of state purchase) in 1918 80 and in 1919 78. These figures clearly show that drunkenness has largely decreased, and the present year (on the average of figures to date) shows a decrease of something like 50% on the pre war numbers.

To compare the convictions for drunkenness in a particular town through a period of years is of very real value but to compare with other towns the cases should be opposite.

It is true that if a list of all the towns in England, is taken small and large, north and south, residential and industrial, there will be found several which show a larger decrease than Carlisle, but compared with other North of England Towns, such as Newcastle, Gateshead, Tynemouth and South Shields, the Carlisle figures show up well. Convictions for drunkenness are, however, only a partial test, and there is a general concensus of opinion among disinterested observers as to the orderly condition of the streets at night, and the improved sobriety in general.

The Chief Constable at Carlisle in his annual report for 1919 issued in January 1920 said:-

"The continuance of sobriety I attribute almost entirely to the system under which intoxicants are sold in Carlisle, where none of the managers have any interest in the amount of liquor sold and all are given strict injunctions not to serve customers who appear to have had enough. I am unable to account for it in any other way, for while Carlisle is unique in its licensing system it is subject to all the causes just mentioned which in

the country generally have contributed to a very decided increase in drunkenness. There can be no question in the minds of careful and impartial observers that the direct management of the licensed trade by the Control Board has been of great benefit to the City".

This report of the Chief Constable is corroborated by special enquiries and investigations made by persons who have had an intimate knowledge of the conditions in Carlisle for many years past.

The Local Advisory Committee, which as I have already shown is a very representative body, unanimously passed the following resolution on the 20th August 1919.

"That having regard to the improvement in the conditions of this district under which every branch of the licensed trade is carried on, the advantages which have resulted to the public and the increased sobriety, the Control Board be asked to urge upon the Government that whatever course is taken on the licensing question generally the system of State Management which has proved such a success in this area, be maintained with adequate powers to complete and continue the work".

A memorial signed by 80% of the Anglican clergy at Carlisle and all the Nonconformist ministers was published in December 1919 recording their general approval of the work of the Liquor Control Board in the Carlisle area, earnestly trusting that there will be no return to the old licensing system and expressing the hope that future legislation concerning the traffic in strong drink will follow the lines which have proved so beneficial in the Carlisle area.

A delegation of some fifteen representative women visited Carlisle in July of this year and as a result of what they saw wrote a letter to the Prime Minister signed by all but one of their members, of which the following is an extract:-

"We the undersigned women who have visited and inspected the public houses established and maintained by the Control Board in Carlisle desire to express our appreciation of the remarkable achievements which have attended their work. We urgently appeal to the Government to grant facilities for further experiments on the same lines in areas representative of varying conditions especially in large industrial centres. We feel that the present experiment, successful as it apparently has been, is sufficient to warrant its undertaking on such a scale as would furnish evidence on which further judgment could be based".

In November 1919 a conference of delegates from the Trades Unions of the district representing some 15,000 workers was held at Carlisle, when by a majority of over 200 votes to one a resolution was passed urging upon the Government to continue the general control in Carlisle and to extend it to the rest of the country.

A delegation of Trade Union and Labour party leaders after visiting Carlisle in December 1919, and thoroughly investigating the conditions in the City, published a report of their visit in which they stated their conclusions as follows:-

"Our opinion is that having regard to the abnormal circumstances and difficulties of the time and the relatively short period during which the Carlisle scheme has been in operation, the Liquor Control Board is to be congratulated on a most remarkable achievement..We believe that the real line of advance is in the direction pointed out by the Carlisle scheme."

After a panic speech by Mr. Philip Snowden, who used figures supplied by a well-known advocate of prohibition from Birmingham, which purported to show that Carlisle was more drunken than 170 other towns in England, the Labour Party Conference held at Scarborough last June rejected a State Purchase resolution in favour of one advocating local option, but Mr. Snowden has since admitted that if he were faced with a choice between private licensing and public ownership he would "decidedly prefer" the latter.

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As against this we have the following resolution passed by an overwhelming majority of the Trades Union Congress at Portsmouth in September:-

"That this Congress recognising the evidence of the social evils and national waste caused by the excessive consumption of alcoholic liquor, and also the economic exploitation, and political corruption associated with the private ownership of the Drink Industry affirm its belief in the policy of eliminating private capitalism from the industry, establishing national ownership and instituting full local control whereby localities shall be entitled to prohibit the sale of liquor within their own boundaries, to reduce the number of licenses and to determine within the fundamental conditions prescribed by statute the manner in which the public places of refreshment and social intercourse in their areas shall be organised and controlled".

It may appear that undue emphasis is placed on the opinions of working-class organisations with regard to this question. Such opinions are emphasized deliberately, because an overwhelming majority of the users of licensed premises are working people. The public house is the working man's club, and it is only right that in matters in which he is so intimately concerned the considered judgments of his representatives should have full weight accorded them.

The financial results of the Carlisle undertaking may be considered very shortly. Each year a balance-sheet and Profit and Loss Account have been published and a summary of the accounts recently issued for the year ending 31st March 1920, shows that the capital involved in the whole area at that date, consisting largely of accumulated profits, amounted to £916,226, while the total trading profits were £168,115. After providing for the interest on the money supplied by the Exchequer for the purposes of the undertaking and for all other charges, including all taxes and duties, except income tax (schedule D.) excess profits duty and corporation tax, the net surplus accruing to the State for the year was £139,263. This sum gives a return of nearly 16½% on the average capital employed, in addition to the interest already provided for. From the inception of the scheme up to the 31st March last the total surplus which had accrued to the Exchequer was £343,174. After (a) meeting all ordinary recurrent expenditure and depreciation; (b) defraying the charges for preliminary expenses and the cost of improvements not estimated to add to the realisable value of the properties; and (c) paying interest on Exchequer issues and unpaid purchase monies, upwards of one half of the average capital cost of the undertaking had been repaid by that date, i.e. after allowance is made for the fact that the acquisition of the undertaking as well as the payment for it was gradual. These figures speak for themselves, and show that if the Carlisle undertaking is a fair sample of State Purchase as a whole, no apprehension need be entertained in respect of such a policy on financial grounds.

In the space at my disposal it is not possible to attempt to rebut the arguments urged by opponents of

State Purchase. But one such argument may be mentioned in conclusion, as the experience at Carlisle clearly shows it to be fallacious. It is objected that political corruption would be inevitable if the State were the owners of the whole of the licensed trade in the country, and that electoral pressure would be irresistible. But it is a fact that at the General Election in December 1918, the liquor problem was not a subject of burning controversy at Carlisle in spite of the efforts of the National Trade Defence Association to make it a living issue. The same is true of the local municipal elections.

Nobody who has the national welfare at heart can look with complacency on what has been achieved up to the present in the matter of temperance reform in the country generally. Even yet, intemperance is rampant, and for the last 18 months drunkenness has apparently been on the increase. Every right minded person must desire that the licensing question should be removed from the political arena, for the liquor trade is a great and powerful weapon which has been, and still is, used for political purposes. So long as the trade continues in private hands the motto of those who are interested in it will remain "Our trade, our politics".

No miracle has taken place at Carlisle, but there is abundant testimony to the fact that a large measure of social amelioration has been achieved by the State control of the liquor trade in the area, without financial loss to the nation, and indeed at considerable financial gain. Looking at its results impartially, I claim that this "experiment" in State purchase has been sufficiently successful to warrant further and extended trial in larger and more populous areas.