

1909.

WESTERN AUSTRALIA.

REPORT

ON THE

OPERATION OF THE LIQUOR LAWS

OF

NEW SOUTH WALES, VICTORIA, AND NEW ZEALAND.

By ALFRED CARSON.

Presented to the Premier of Western Australia, Hon. Newton James Moore, C.M.G., M.L.A., on the 9th January, 1909.

LAI D ON THE TABLE OF THE LEGISLATIVE ASSEMBLY, 5TH FEBRUARY, 1909.

Ordered to be printed.

PERTH :

BY AUTHORITY : FRED. WM. SIMPSON, GOVERNMENT PRINTER.

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Report on the Operation of the Liquor Laws of New South Wales, Victoria, and New Zealand.

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The Hon. the Premier,

Sir,

At your request I recently conducted an inquiry touching the liquor laws in operation in the States of Victoria and New South Wales and also in the Dominion of New Zealand. I have now the honour, herewith, to furnish you with the following report of my investigations:—

The salient facts as I found them, and the conclusions I formed as to the efficacy of the law in each State to achieve the purposes for which it has been designed, are here stated as briefly as possible. As for the facts themselves, these have been sought and obtained with, as I believe, absolute impartiality. There has been no desire either to favour what in some of its aspects is a noxious trade, or to eschew material which might be unpalatable to reformers whose avowed objective is the total abolition of the liquor traffic.

I believe that as far as they go these facts will prove unassailable. As for the opinions incidentally expressed, they are submitted with all diffidence, and with a full recognition of the fact that in so peculiarly complicated a social problem as that which the liquor trade presents, widely different conclusions may very possibly be deduced by different minds having access to the same data.

I initiated my inquiry by an endeavour to familiarise myself with the main principles of the various statutes now in force in the States mentioned. I also gave some attention to the consolidating and amending Bill (since with considerable modifications become an Act) which was lately before the South Australian Parliament. I interviewed, as far as the exigencies of time and circumstance would permit, Ministers of the Crown, persons engaged in various capacities in the administration of the law, including the members of the Victorian Licenses Reduction Board, accredited representatives of the liquor and allied trades, recognised leaders of the temperance movement, civic authorities, the Federal Statistician, business men, and other representative citizens. I consulted, wherever available, documentary evidence bearing on the licensing question, including a number of parliamentary papers which had been called for from time to time by representatives of one or other party in New Zealand to prove, presumably, the success or the failure of the Dominion's law of modified prohibition. I also visited a majority of the "no license" towns in New Zealand with the object of learning for myself, as far as possible, how the No-License law actually works.

I discovered that the tendency of all recent licensing legislation has been to place the liquor trade under more and more severe restrictions and increasing disabilities. Penalties for breaches of the

law I found becoming progressively heavier with almost every successive Act of Parliament, and the Licensed Victuallers' privileges being gradually curtailed, while his burdens were steadily becoming heavier. I gathered also that the administration of the law in New South Wales and Victoria has of late, in spite of these drastic changes, become increasingly effective; a result, apparently, of a steady outside pressure of public opinion, in the absence of which the law, whatever its nature, tends to become a dead letter. The police and all classes of the public, temperance leaders included, agree that this improvement is most marked in regard to Sunday trading and trading after hours, which, so far from being carried on in Melbourne and Sydney and in the New Zealand cities with impunity and practically without risk, as was formerly the case, are now reduced to a minimum.

All the more modern legislation dealing with the licensing problem, both in the Eastern States of Australia and in New Zealand, proceeds on the assumption that the number of licensed houses is in excess of public requirements. Accordingly no provision exists in Victoria, despite the certain prospective growth of population, for the granting of new licenses, though in certain circumstances licenses may be transferred from one district to another. In New South Wales new licenses cannot be obtained except by process of petition to the Government by a majority of the electors within a stated radius of the front door of the premises proposed to be licensed, and only then if it can be shown on evidence—

- (1) that the population of the locality for which the license is applied for has substantially increased, and
- (2) that the existing accommodation is inadequate for public requirements.

In New Zealand new licenses may only be granted in a district where the population has increased by 25 per cent., and then only on the authority of the electors as expressed by a local option vote.

Not only, however, has a period been practically put to the issue of additional licenses, but provision also exists either for making a reduction of existing licenses mandatory down to a statutory number, as in the case of Victoria, or for submitting the question of reduction, among other questions, to a local option vote of the electors, as is done in New South Wales and New Zealand.

In these two last-named States three issues are triennially submitted to the electors, viz.:—

- (1) Whether the number of licenses existing in the district shall continue.
- (2) Whether the number of licenses existing in the district shall be reduced.

- * (3.) Whether no licenses shall be granted in the district.

Since up to the present the no-license issue has not been carried in any district in New South Wales, and the Act for all practical purposes has there only been operative as a means of *reducing* licenses, I propose to compare its merits as an effective working machine for reducing the number of existing licenses with the totally different system which the State of Victoria has adopted with the same end in view. Later I shall deal with the New Zealand system, where an almost identical legislative expedient to that adopted in New South Wales has resulted in the establishment up to date in some 12 electoral districts of a modified form of prohibition, and in effecting a large reduction of licenses in many centres.

VICTORIAN AND NEW SOUTH WALES SYSTEMS COMPARED.

Methods of reducing number of Licenses.

A comparison of the Victorian and New South Wales licensing systems presents some interesting and instructive features.

In Victoria, Parliament, in its wisdom, decided that the number of publican's general licenses must not in any district exceed (except in special cases which are defined) one for each full 250 of the first 1,000 inhabitants, and a further one for each subsequent full 500 inhabitants. When this statutory limit was fixed it was found that in the whole of the State there were 1,000 such licenses in excess of the statutory number.

The question then arose how this excess of licenses could best be disposed of, and ultimately a special court of three persons was constituted with statutory powers for the purpose. This court, which is styled a Licenses Reduction Board, has a life of ten years, and the task is laid on it, within that period, to select for deprivation of licenses those 1,000 licensed houses which can best be spared by the community. It has other duties which, however, can be best referred to under another head.

This Board had been in existence at the time of my visit for a term of 19 months, during which period it had succeeded in closing 190 licensed premises. It will thus be seen that if its past record is maintained, the Board will, within the ten years allotted to it, have completely purged the country of what at the date of its appointment were regarded as excess licenses.

It should here be mentioned that Division VIII. of the Victorian Licensing Act, 1906, provides for the establishment of local option on New Zealand lines, but that this division is in a state of suspended animation and will not come into operation until the first day of January, 1917, that is, not until the Licenses Reduction Board shall have ceased to exist by effluxion of time and have completed the task imposed on it.

Everywhere in Victoria the work achieved by the Licenses Reduction Board is the subject of enthusiastic commendation, and no public bodies are more ready to acknowledge its splendid service to the country than are the temperance organisations, who, by its operation, have seen more effective reform brought about than was found possible of accomplishment under the old Local Option Law which the present Act supersedes. Both the President and Secretary of the Victorian Alliance, and the State President of the W.C.T.U. in Melbourne, frankly confessed to me

that under the old Local Option Law, which it should be mentioned was encumbered and clogged by State compensation clauses, the people had not succeeded in carrying a reduction of licenses in districts where the need for reduction was most insistent. All three agreed that the Board had succeeded where the temperance organisations, with Local Option as their fighting arm, had failed, and moreover that the Board was doing this good work without any fuss, without inciting angry feeling, and without putting the general taxpayer to the expense of a single shilling.

The State Premier was himself most enthusiastic in his praise of the work of the Board, under whose first 19 months' administration 190 houses have been closed at an average cost of a little over £500, whereas it took 20 years of local option to close 217 hotels at an average cost of £900, with this difference as regards the compensation paid, that in the past the compensation fund was provided out of the consolidated revenue, while under the existing system it is contributed wholly by the liquor trade.

In New South Wales the first local option polls were held in September, 1907. As a result twelve months later sentence of doom was confirmed as regards 292 licensed public houses and some 46 wine licenses. This however does not mean that these houses are closed forthwith. When a district has declared for reduction, the extent and the details of the reduction to be effected are referred for determination to special courts, a special court being created for each district. These special courts consider the convenience of the public and the requirements of the several localities of the electorates, and subject to these considerations, proceed to decide what licensed houses shall be dealt with. The Act prescribes what shall be the maximum and minimum number for deprivation. In carrying "Reduction" the electors merely assert a general principle, its application being left to the Licensing Benches, whose discretion has statutory limitations.

The houses first dealt with are those against the licenses of which two convictions within three years have been recorded. Next, the houses having one conviction within the same period. And thirdly, houses badly conducted or insanitary. The first-mentioned must close between six and twelve months after the taking of the vote, at the option of the Court. The second and third classes between one and two years, also at the option of the Court. If the desired reduction has not then been made, houses against which no conviction has been recorded will be dealt with, at the discretion of the Court, and will have to close at the end of three years. Premises (having no convictions) held under registered lease, will be allowed eight years from 1st January, 1906, or until the expiration of the lease, whichever event happens first.

The result, therefore, of the recent poll, substantial as it is, does not on examination compare favourably with the Victorian achievement, and raises two vexed questions:—

- (1.) Whether or not local option is the best means to be adopted for reducing excess licenses; and
- (2.) Whether or not the time limit without money compensation is preferable to money compensation without a time limit.

To answer the first question it is necessary to examine the results in both cases somewhat more closely.

* The carriage of this issue requires a three-fifths majority and involves the termination of all existing licenses.

In Victoria it is admitted by all classes that the Licenses Reduction Board has blotted out, and is blotting out, licenses in just those districts where obviously the excess of licenses was and is calculated to do most mischief. It is also confessed alike by the trade, the temperance bodies, and the public generally, that the Board has been careful to exercise its powers of deprivation in such a way as to rid the community of the most disreputable houses, and to close those premises which were the least likely to serve any purpose of public convenience. The Board decides in its absolute discretion which districts shall be dealt with, and which hotels therein shall be closed each year, the only restrictions being—

- (1.) It must not reduce below the statutory number;
- (2.) It must not create compensation liabilities in excess of the funds available for the year.

The Board operates in any district, and naturally devotes most attention to those districts where licenses are most in excess of the statutory number—the very districts where experience has proved it most difficult to carry reduction by a local option or popular vote. Here are two striking examples:—

Gipps.—This is a metropolitan (Melbourne) district. When the Board was created the number of publican's licenses it contained was 84. The statutory number is 12.

Darling.—This is a Bendigo district. The number of licenses it contained when the Board was created was 71. The statutory number is 13.

In the last-named district several attempts at reduction by a local option poll failed. In the former (the Gipps district) reduction by any such means was regarded as hopeless. Not a single hotel was closed here in 20 years of local option. The Board closed 15 in the first six months of its existence. Bendigo has since been similarly purged.

A very different result has been obtained under local option in New South Wales, where all the electorates which contain the greatest number of licensed houses, and the worst type of licensed houses, actually carried "Continuance." I quote a few examples, of which there are many available.

Belmore.—This electorate has 8,000 electors on the roll. It contains 60 publican's licenses and 10 wine licenses. It voted "Continuance."

Darling.—This electorate has 5,689 electors on the roll. It has 86 publican's licenses and 2 wine licenses. It carried "Continuance."

Darling Harbour.—This district has 7,190 electors (about the same number as North Perth). It has 111 publican's licenses, and 28 wine licenses, and could not spare one of them. It voted "Continuance."

King.—This district, with 7,852 electors, has 95 publican's licenses and 74 wine licenses. It voted "Continuance."

Murray.—This district, with 6,820 electors, has 70 publican's licenses, and also carried "Continuance."

In all these districts "Continuance" was not merely carried, but carried by big majorities. On the other hand, "Reduction" was carried, also in some cases by large majorities, in districts where there were the least number of hotels, a better class of hotels, and where one licensed house more or less could hardly make an appreciable difference to the temperance or intemperance of the district.

Following are some examples:—

Ashfield.—This suburb has 9,670 electors on the roll. It has only six hotels and five wine licenses, yet it carried "Reduction."

Canterbury.—This district has 11,478 electors on the roll. It has 11 hotels only, but carried "Reduction."

Lane Cove.—This district has 10,338 electors. It has nine hotels, and carried "Reduction."

Leichardt.—This district has eight hotels to 10,332 electors, and it carried "Reduction."

Randwick.—This district has 9,288 electors and eight hotels, and carried "Reduction."

The weak spot, therefore, in local option, so far as Victoria and New South Wales are concerned, and New Zealand's experience is not dissimilar, is that it works capriciously, and that it has lamentably failed to close public houses where the ratio they bear to the population is the highest, and where they offer the most serious menace to society. Under the Victorian system, on the other hand, by which deprivation of licenses is effected not on popular caprice, but on evidence and judicial process, the worst and most malignant drinking shops are steadily disappearing.

MONEY COMPENSATION *VERSUS* TIME CONSIDERATION.

One of the many difficulties surrounding any system of licensing reform which involves a reduction in the number of licensed houses, arises out of the question whether owners and occupiers who may be deprived of their licenses are, in justice, entitled to receive compensation. All of the Australian States do in some degree, or have in some degree in the past, recognised the existence of a vested interest in all licenses, in other words, a right to renewal of such licenses subject to the good behaviour of the licensees, and to the maintenance of their premises in a condition to satisfy the licensing authority. This recognition of vested interest may act, and probably has acted, as a check to the public desire to see a reduction of licenses effected. It has however, on the other hand, paved the way for the State to resume its absolute dominion over all such vested interests or monopoly values, which have been created at the State's expense. In Victoria, for instance, the Act passed in 1885 expressly provided that licenses issued after January 1, 1886, should have no right of renewal whatever.

In South Australia a similar Act was passed in 1891, but it went further. It not only provided that licenses issued after the passing of the Act should carry no right of renewal, but also fixed a time limit of fifteen years when all rights to compensation in respect of then existing licenses would expire.

The position at present, therefore, as regards these two States is as follows:—

In Victoria in the case of premises licensed prior to 1886, the license of which has, to quote the statute, "not been revoked, forfeited, cancelled, or taken away" for prescribed offences, are subjects of compensation, not for any limited period but indefinitely, while premises licensed subsequently to January, 1886, are expressly not subjects of compensation.

In South Australia licensed premises, which were licensed prior to 1891, but no others, were subjects of compensation, and these not indefinitely, as in the case of Victoria, but for a period of fifteen years only, which period expired in 1906.

In New South Wales a different and somewhat novel principle has been adopted. Instead of compensation a period of grace is allowed, varying, as has been already stated, from six months to three years (and in certain exceptional cases for a much longer period), dating from the time cancellation of license has been decreed.

It will be seen from the foregoing that the right or reasonable expectation to the renewal of licenses from year to year has been in greater or less degree recognised by recent legislation in Eastern Australia, either by the provision of a time limit, or by the payment of a money compensation, or both.

The words used by Mr. Asquith, the English Prime Minister, when introducing the Licensing Bill lately before the British Parliament, express what seems to have been in the minds of Australian legislators when dealing with the subject in these States. Mr. Asquith, as may be seen on reference to the "Times" report of his speech, said:—

Interests have been allowed to grow up outside the domain of the law—interests have been created, or at any rate fostered, by expectations which were for so many years so widely entertained and realised, that it is impossible for any statesman, who has to deal with the matter now, to ignore them or leave them out of account.

Objections to compensation out of State funds are, all the same, widely entertained. As far as I could learn, the taxpayers in Australia are practically unanimous in their opposition to the State compensating a trade, whose claim for monetary consideration rests on no express statutory enactment. Anxious as many people have been to see a reduction of licenses effected, they have declined to vote or use their influence for reduction where State compensation has been paid, for the reason that they would themselves have to contribute to the necessary fund. All objections of this character, however, are met by the Victorian system under which the trade itself has, compulsorily, to provide by special taxation a compensation or mutual insurance fund, which is administered by the Licenses Reduction Board already referred to in the first section of my report.

This fund is provided by a 3 per cent. tax on purchases of liquor, and is payable by the licensees who, under the statute, are entitled to deduct two-thirds of the sum thus payable from the owners. This arrangement was, as far as I could learn, the result really of a compromise between the liquor traders and the temperance reformers. At any rate, whatever its origin, it has been found to work admirably. Owners and licensees are paying the tax ungrudgingly, and the worst houses are being deprived of their licenses. Whether, however, compensation by the trade would prove so acceptable or be as effective in facilitating the elimination of the worst evils of the trade if such compensation were governed by a time limit, may be doubted, and for this reason. During the time limit the least desirable among the licensed houses would presumably be selected for extinction, and compensation would be paid in respect of them. Those that would remain at the end of the time limit would belong to the better or the best class of public houses, and would represent the survival of the fittest. Yet because they remained beyond the time limit period their licenses would be subject to suppression without any compensation, though the owners and licensees would have been paying substantial sums to their neighbours on the same account during the whole of the period in question. Such a plan can

hardly be said, therefore, to recommend itself on grounds of abstract justice or of ordinary fair play.

Other objections to a time limit are that under it there would be no incentive to owners to maintain their premises in a high state of repair. Public house property would thus deteriorate, and a temptation would be offered to the licensees, as the time limit sped by, to make hay while the sun shines, or, in other words, to run graver risks in regard to illicit trading than they would where fixity of tenure and the payment of compensation are governed by considerations of good conduct.

Looking at this question from the point of view of public interest it would seem, therefore, that not a little mischief lurks in the time limit, and that compensation by the trade, without any time limit whatever, provides a preferable means of dealing with redundant licenses. Obviously the sooner the order for closing and the payment of compensation follow on the order for deprivation the better for all concerned.

Under the Victorian system the compensation tax is levied uniformly on all publicans throughout the State, and the tax goes into a common fund. It is recognised that many houses, especially the finest in the cities and those in remote districts, are least likely to reap any direct pecuniary advantage from this fund, since the owners and licensees in such cases are least likely to be disturbed. The indirect advantage, however, which is calculated to accrue to remaining licensees from the raising of the status and the reputable character of the trade by the purging of the worst houses, is generally regarded as a sufficient compensatory set-off to the tax, which is paid for the most part readily and cheerfully.

It is not necessary, I take it, that I should here go into details as to the method which is adopted by the Victorian Reduction Board in assessing compensation since the whole procedure is plainly prescribed by the Act.

In Victoria the Government, it should be mentioned, loses nothing in license fees by reduction. The fees of deprived houses are simply added to those of existing houses in the neighbourhood. This is done at the discretion of the Licenses Reduction Board, who, in effecting the necessary readjustment, do not take into account contiguity alone, but other factors, as for instance the character of the trade that was wont to be done by the closed house, and the character of the house itself, as well as the character of the trade of the surviving houses in the locality, since on these considerations largely depend the direction in which the trade of the deprived house will trend.

POPULAR CONTROL AND NO LICENSE IN NEW ZEALAND.

The liquor trade in New Zealand has been largely under popular control since 1881. An Act passed in that year to consolidate and amend the law regulating the sale of intoxicating liquors possessed two outstanding features.

- (1.) It provided that a local option poll of rate-payers (not parliamentary electors) should be taken every three years to determine whether the number of publicans' licenses or New Zealand wine licenses or accommodation licenses or bottle licenses might respectively be increased in the licensing district for which such poll was taken.

(2.) It provided also for the election annually by ratepayers of licensing benches, or licensing committees, each committee to consist of four persons.

The Licensing Committees are still elective while the limited local option of 1881 has developed by subsequent legislation into the present local referendum under which the parliamentary electors of every licensing district have submitted to them at the triennial parliamentary elections the three issues of "Continuance," "Reduction," and "No License." If a majority of votes be cast for "Continuance" in any district existing licenses in that district cannot be disturbed except for special offences, until the next triennial poll, when their fate will depend once again on the popular vote.

If a majority of votes is cast for "Reduction" the Licensing Committee proceeds to reduce the number of existing houses, the limit of its operations being one-fourth of the number open at the time of taking the poll. In the case of publicans' licenses those which have been endorsed for breaches of the law in respect of selling liquors to children or to drunken persons, or of selling liquors on Sunday, are the first to be reduced, and next those held in respect of premises which comprise little or no accommodation for travellers and lodgers beyond the bar. If a three-fifths majority be cast for "No License" all existing licenses cease automatically, and no new licenses can be granted until the popular vote is reversed, all clubs where liquor is sold sharing the same fate.

The new order of things began in 1893, and the first licensing poll on the triple issue was held in 1894. On that occasion 14 districts carried "Reduction," and the movement has since rapidly gained ground. The figures for the first four succeeding polls were as under:—

Year.	Continuance.	Reduction.	No License.
1896 ..	139,580	94,555	98,312
1899 ..	142,443	107,751	118,575
1902 ..	148,449	132,240	151,524
1905 ..	186,884	161,057	198,768

The last triennial poll which was taken on November 17 last, so far from exhibiting any ebb in the tide of public opinion, shows it still surging against the trade. The exact figures were not available when I left New Zealand, but were given approximately in the newspapers as follows:—

Continuance.	Reduction.	No License.
186,861	161,324	220,104

It will be seen that in the space of 12 years the number of votes for "Continuance" increased by 47,030 only, while the votes for "No License" increased by 121,892.

The following percentages of votes cast for "Continuance" and for "No License" at the five polls, including that held in November last, are interesting as showing in another way the growth of the No License movement:—

Year.	Continuance.	No License.
1896 ..	54.9	30.8
1899 ..	50.7	43.3
1902 ..	47.9	45.6
1905 ..	46.8	51.2
1908 ..	45.5	52

The percentage of the total votes which were cast for "Continuance" on these several occasions is, it will be noticed, a gradually diminishing quantity, while

the percentage cast for "No License" is substantially increasing.

If State option instead of local option prevailed in New Zealand, and if a bare majority of votes had been sufficient to carry "No License," as is now being advocated, every licensed house and every club in the country would, during the currency of the present year, have been wiped out of existence as the result of this last poll.

Since, however, the option is only exercisable in each electoral district, and since also a three-fifths majority is required to carry "No License," the effect of the vote is not quite so serious to the trade.

As it is "No License" was carried in six new districts, namely Wellington South, Wellington Suburbs, Eden (which is a suburb of Auckland), Masterton, Ohinemura, and Bruce, while "Reduction" was carried in eight other districts. The effect of these two votes will involve the closing of 150 licensed houses or thereabouts.

There are now 12 "No License" districts in the Dominion, the number having been exactly doubled as the result of the 1908 vote.

The issue submitted at the triennial poll to electors of districts under "No License" is "For Restoration" as "Against Restoration," a three-fifths majority being required to restore licenses just as a three-fifths majority had, in the first instance, been required to banish them.

The following table shows how far the advocates of "Restoration" were from succeeding in the six districts where this issue was submitted, and incidentally how difficult it is to rehabilitate the trade once it is placed under the public ban.

Poll in 1908:—

No License Districts.	For Restoration.	Against Restoration.
Malaura ..	2,007	2,524
Clutha ..	994	1,825
Ashburton ..	3,039	2,835
Invercargill ..	2,389	3,028
Greybridge ..	2,034	5,046
Oamaru ..	1,944	2,847

In no case here is a three-fifths majority for restoration even in sight, the natural inference being that the electors are satisfied to continue under the "No License" regime.

The prodigious growth of the "No License" movement in the cities is not the least remarkable development of the movement during the last three years. The following analysis of the recent polls indicates sufficiently the advance that has been made in these centres of population since the triennial poll was taken in 1905, showing as they do (1) the number of votes actually polled, and (2) the number required to be polled in order to carry "No License" in each of the city electorates:—

	Votes Polled.	Votes Required.
		1905.
Wellington ..	8,872	11,050
Auckland ..	8,202	9,925
Christchurch ..	8,787	11,846
Dunedin ..	9,078	11,806
		1908.
Wellington ..	10,010	10,913
Auckland ..	10,253	11,041
Christchurch ..	10,121	12,097
Dunedin ..	11,569	12,167

Thus the number of votes short of sufficient to carry the "No License" issue is disclosed at the two polls respectively as follows:—

	1905.	1908.
Wellington	2,178	903
Auckland	1,723	788
Christchurch	3,089	1,976
Dunedin	2,008	658

These impressive figures surely portend the impending doom of the licensed trade in the Dominion unless a great reaction sets in, of which there is at present not the slightest outward and visible sign. A proportionate increase of the "No License" vote at the next two succeeding triennial polls in town and country will spell absolute extinction.

As a means therefore of abolishing the licensed public house, the "No License" experiment would appear to answer thoroughly well, and if the abolition of the public house were the be-all and the end-all of licensing reform nothing would remain to be said.

If, however, the abolition of the public house is desired mainly as a means of effecting a diminution of drinking, the "No License" experiment must be pronounced even yet as still on its trial, since if there be less drinking in "No License" towns there is more drinking than ever elsewhere.

Taking New Zealand as a political unit one looks in vain either for a lower per capita rate of drink consumption, or for an appreciable diminution of serious crime, of which the public house has been commonly pronounced the most fruitful laboratory. During the period "No License" legislation has been in operation in New Zealand the population has increased 22 per cent., while the drink consumption has actually increased 33 per cent.

The drink bill of New Zealand, which is annually prepared by the Rev. E. Walker, a gentleman who is regarded as an equal authority on the subject in the Dominion as is the Rev. Dawson Burns in England, or the Rev. Canon Boyce in New South Wales, will speak for itself. Here are the figures:—

	Per Capita Expenditure.		
	£	s.	d.
1896	2	19	8
1897	3	2	2
1898	3	3	4
1899	3	4	9
1900	3	8	4
1901	3	11	0
1902	3	10	3
1903	3	10	7
1904	3	10	10
1905	3	8	2
1906	3	11	1
1907	3	15	10

Of course no one can say precisely what significance should be attached to this ugly table. The

drink bill is affected by various considerations, and not a few obscure factors. In every country the consumption of intoxicants tends to expand in prosperous years, and New Zealand has experienced a remarkable cycle of good times. The excitement engendered throughout the Dominion by the Boer War during part of the period covered, and more recently the Christchurch Exhibition may, as is contended by the New Zealand Alliance, have contributed in some degree to swell the drink expenditure of the country. When, however, due allowance is made for these and all other considerations the social reformer has still a right to expect that the drink bill of a country, 51.2 per cent. of whose electors voted "No License" in 1905, and 52 per cent. of whose electors voted "No License" in 1908, as was the case in New Zealand, would, at least, reflect in these later years soberer habits on the part of the people. As it does nothing of the kind the inference is, surely, that the "No License" vote, successful as it has been in blotting out licenses and possibly in diminishing to some extent the amount of drinking in the so-called prohibition districts has not appreciably, if at all, influenced the habits of the New Zealand people as a whole. Clearly, since the drink bill advances, there must be more drinking in the homes of the people, or in the licensed houses remaining, or in both.

Other facts besides the drink bill itself tend to justify the same conclusion. Some of these may be enumerated as follows:—

- (1.) The large imports of intoxicants into "No License" districts.
- (2.) The obviously increased trade of licensed houses in towns and districts which are in juxtaposition to or at reasonable distances from "No License" centres.

I will take three representative "No License" districts, viz., Invercargill, Oamaru, and Ashburton, and quote from an official return, showing the quantities of liquor sent in accordance with Section 5 of the Licensing Act, 1904.

Invercargill (population of town 12,000) received in two years—

Beer	112,463½ gals.
Porter	2,209 "
Whisky	7,131 "
Brandy	195 "
Gin	189 "
Rum	33 "
Wine	895½ "
Cider	834 "

Total 123,952 gals.

Oamaru (approximate population of town 5,000) received in two years—

	Gallons.	Bottles.	Barrels.	Cases.	Kegs.	Jars.	Hogs-heads.	Flasks.
Beer	23,023	19,297	8	31	1	1	18	...
Stout	335	2,300	...	17	...	...	...	...
Whisky	4,942	14,349	...	511	...	...	...	167
Brandy	466	321	...	4	...	...	...	...
Gin	11	274	...	2	...	...	...	...
Rum	46	121	...	...	...	...	...	...
Schnapps	36	170	...	1	...	...	...	...
Wines	153	599	...	39	...	...	...	...
Cider	74	...	...	...	...	...	...	...
Sherry	24	33	...	...	...	...	...	...
Champagne	4	7	...	1	...	...	...	...
Claret	62	50	...	6	...	...	...	...
Assorted	13	145	...	...	...	...	...	...
Totals	29,196	37,766	8	612	1	1	18	167

Ashburton (approximate population of town 2,500) received in five years:—

	Gallons.	Bottles.	Cases.
Beer and Ale	100,008	...	...
Stout	2,978	...	...
Whisky ... ..	...	10	8,253
Brandy ... ..	...	2,010	...
Gin ... ..	...	904	...
Rum ... ..	...	230	...
Wine ... ..	...	3	535
Champagne ... ..	...	148	...
Chartreuse ... ..	...	1	...
Bitters * ... ..	...	24	...
Totals	102,982	3,330	8,788

How much more liquor was sent in to these districts prior to the "No License" régime I was unable to ascertain. These figures, however, show how liberal the consumption of liquor may be in districts three-fifths of whose electors voted "No License." Moreover they by no means indicate the full quantity of liquor sent in to the three towns respectively. They merely show, as the return from which they are extracted expressly states, the quantities sent into these "No License" districts in accordance with Section 5 of the Act of 1904, which provides that wine and spirit merchants, brewers, etc., outside "No License" districts, who may legitimately send in intoxicants to such districts on signed orders, must make a declaration giving particulars of their consignments, and forward such declaration to the Clerk of Court of the "No License" district to which such consignments are despatched. These declarations constitute the only record that is kept of liquor entering a "No License" town. Since, however, a subsection of Section 5 sets out that nothing therein shall prevent any resident of a "No License" district, when outside such district, from obtaining for his own personal use, with right to take the same into the district if he chooses, liquor not exceeding one quart of spirits or wine, or one gallon of beer in any one day, without record being made thereof, it will readily be seen that the official records do not even pretend to show the total quantities of liquor sent in to such "No License" districts. As regards the increased drinking which takes place in towns situated near to "No License" areas, the Bluff, the nearest "No License" town to Invercargill, affords a striking and even shocking example.

As for the crime statistics of "No License" districts these certainly show that convictions for drunkenness have a decided tendency to diminish, but strangely enough graver offences do not exhibit a like movement. This is especially true in the case of Invercargill, as the following table indicates:—

	License. 1905-1906.	No License. 1907-1908.
Criminal offences	338	368
Drunkenness	145	86
Affiliation	13	21
Prohibition orders	66	43
Lunacy	13	21
Procuring liquor while prohibited	3	10
Sly-grog convictions	1	3
Theft	21	71
Assault	16	4
Indecency	2	4
Indecent language	12	7

The figures for Ashburton, though not so striking, tell much the same story, as the following selection of typical headings shows:—

*Number of Persons convicted or Committed from
July 1, 1903, to June 30, 1905.*

	Before No License.	Under No License.
Theft	24	31
Wrecking	4	1
Burglary	0	10
Breaches of Peace	40	59
Drunkenness	175	43
Obscene language	7	3
Selling liquor without license ..	1	21
Breaches of railway by-laws ..	11	25
Breaches of school attendance Act	33	22

These figures do not prove that the increase of serious crime which they indicate is the fruit of "No License." It is fair, however, that they should be put forward for what they are worth since it is so frequently stated or implied by the champions of "No License" that with the abolition of the licensed house serious crime generally is reduced by more than one-half, some even going the length of putting the reduction at 75 per cent.

In this relation I should mention that the New Zealand Commissioner of Police assured me that the extension of "No License" areas, instead of meaning a reduction of the police force, would necessitate an increase both of the plain clothes and uniformed forces. The Commissioner's report for 1907 shows a substantial growth of sly-grog selling. An ominous statement by Inspector Gillies, of the Christchurch district, is published in the same report. Mr. Gillies remarks:—

"Sly-grog selling in this district is confined chiefly to Ashburton and Oamaru as these are towns in "No License" districts. The difficulties which beset the local police in procuring evidence in such cases are well known, and little if any assistance can be relied on from residents, whose sympathies are with the grog sellers."

Yet, the foregoing facts and figures notwithstanding, the general testimony of representative men with whom I discussed the liquor question in Invercargill and other "No License" towns, was that they preferred "No License" to "License." Not a few, however, like the Mayor of Invercargill (Mr. Scandrett) while at present strong supporters of the existing "No License" régime on the grounds that public order is better, and that seldom is a man either drunk or under the influence of liquor seen in the streets, do not favour absolute prohibition, and acknowledge

that the present system of "No License" stands in need of modification.

Mr. Scandrett informed me that his objection was to the open bar. He did not condemn drinking *per se*. He himself was an abstainer, but kept liquor in his private house, and in the Mayor's Parlour, to entertain his friends and distinguished visitors. He thought it very hard that visitors from "License" districts, and tourists from abroad, should not be able to obtain in Invercargill the reasonable liquid refreshment and the accommodation they were accustomed to elsewhere. If only the open bar, which led to so much promiscuous drinking, could be abolished, he thought that would be preferable to "No License" as now obtaining.

Up to the present "No License" has been confined to six districts, each, if Invercargill be excepted, with a comparatively small and scattered population. The only considerable town hitherto affected is that of Invercargill. The system therefore cannot yet be said to have been proved, at any rate by New Zealand's example, as applicable to large cities.

In Invercargill, the one considerable town under "No License," such outward improvement as has been secured by legislation does not necessarily imply a real diminution of drinking.

The Locker System and Keg Parties.

The locker system which is in operation in some of the New Zealand "No License" towns, and which is the nearest substitute yet devised for the open bar, is a strange by-product of prohibitive legislation. I will describe one such bar at a leading unlicensed hotel as I saw it every evening during my stay at Invercargill. The locality of the bar, which is back from the street, is indicated by a semaphore in the main hall. It leads off the hall, through a doorway, the door of which is religiously closed as patrons enter. This bar differs only, as far as I could see, in one particular from the bar of any reputable hotel in Perth. There was a barmaid behind the counter, in front of which stood a goodly number of men with glasses at their hands, some just charged, some half full, and some empty. Other groups stood about the bar, or sat at small tables, and all were obviously taking their accustomed glass. The only thing differentiating this "closed" bar from the "open" bar, so much reprehended, of an ordinary licensed house was the absence of those shelves which we are accustomed to see made gaudy with multicoloured bottles. Instead there was an array of lockers. These I discovered were let at an annual rental to customers, and that these customers each kept his locker replenished with his favourite liquor (not a temperance drink) which the barmaid dispensed, the house providing the glass and soda, etc., of course for a consideration.

Again as to the keg party—another sinister parasitic growth on the "No License" movement. A brewery exists in the town of Invercargill, the manufacture of malt liquors in "No License" towns not being prohibited. This brewery, however, may not sell its products to the townspeople, despite an unmistakable demand for them, but only to residents beyond the electoral border. This prohibition has had curious consequences. It has called other supplies into existence. A brewery has been erected immediately outside the "No License" boundary, and this establishment sends into the town just so much of its beer, etc., as it can obtain orders for. It has also led to the institution of keg parties, hitherto unknown in the municipality. These parties, usually

composed of young men, proceed to the extra-territorial brewery, purchase a gallon keg, or two gallon kegs, of beer, such as it is (it is admittedly inferior to the Invercargill brew), and return with their purchase to some rendezvous inside the municipal borders, and there make merry until their keg or kegs are exhausted.

The locker system may at present be beyond reproach, and the institution known as the keg party may be at present confined, as regards its membership, as I believe it is, to a small larrikin element, but in both, and in the extra drinking in the homes of the people, which there can be little doubt results from "No License," there may easily lurk the germs of evils just as inimical to the moral well-being of the community as is the open bar itself.

PERTINENT QUESTIONS.

Two questions are naturally suggested by the foregoing references to the application of the "No License" system in New Zealand:—

- (1.) How is it that despite all allegations which tell against the principle, a majority of the New Zealand electors—a majority numbering 30,000 at the last poll—persist in voting "No License"?
- (2.) How can this tremendous vote be reconciled with a steadily increasing Drink Bill?

Both questions are pertinent to the issue, and some answers are here suggested under several heads as the facts seem to warrant.

The Dynamics of the Movement.

The militant prohibitionists constitute the vanguard in the fight and supply the dynamic impulse to the movement. They regard the consumption of intoxicants as an unmixed evil. Though probably not numerically stronger proportionately than in any of the Australian States the New Zealand prohibitionists have the advantage of a superior organisation under the aegis of the New Zealand Alliance. On their side is to be found in magnificent array all the idealism, all the enthusiasm, all the sentiment which count for so much in a reform campaign. There is no question as to their high moral aims. Their remedy for the eradication of what everyone admits is a great national evil may not prove the most effective, but this for the moment is beside the mark. They believe it is, and their belief in themselves and in their cause goes a long way towards spelling victory. Churches, Sunday Schools, Christian Endeavour Societies, Young Men's and Young Women's Christian Associations, are hitched to the "No License" wagon, and to thousands of old campaigners, and fervent recruits drawn from these sources, the work of proselytising is a labour of love. They regard the publican as an incarnation of evil, and a jehad or Holy War against the trade is proclaimed and prosecuted with all the fervour of a religious crusade. The best platform talent, local and imported, paid and unpaid, is employed in the struggle. These out-and-out prohibitionists may be misguided; they may be adopting doubtful means to an end; but they are for the most part disinterested. On the other hand the trade, besides being actuated by motives of self-interest, is a house divided against itself. Not more than half, or very little more than half, of the licensed victuallers in New Zealand are affiliated with the Association which presumably exists for their protection. The publicans

and brewers, as often as not, have so many grievances one against the other, that they fail to make common cause against the advancing phalanx. The trade may and does spend a lot of money, but money counts for very little when popular enthusiasm is marshalled against it. Thousands of people who themselves vote from conviction against "No License" are content to do just that and no more. They will not use their influence on behalf of the traffic which inspires no spontaneous enthusiasm.

The Woman's Vote.

The woman's vote has naturally been largely cast for "No License." Woman in politics is apt to be swayed by her emotions, which is perhaps well, but her enfranchisement is of so recent origin that lack of experience tends, possibly, to accentuate her natural impulse to seek short cuts to those social reforms which appeal to her highest instincts, undaunted, because unmindful, of the possibility of the danger of substituting, in the process, one evil for another. The evils of the public house are patent to her, and for the most part she votes "No License," not stopping to ponder over the question whether "No License" may not mean in the end more drinking in the home, and more drinking in secret, or involve other practices equally mischievous.

Bad Reputation of the Trade.

The long-offending career of many engaged in the trade causes hundreds to vote "No License," who are neither total abstainers nor believers in prohibition. The trade has undoubtedly been its own worst enemy both in New Zealand and in Australia. So little regard have many liquor sellers shown for public opinion or for common decency, and with such impunity in so many cases have the restrictions on which their privileges are conditional been disregarded, that they have as a body largely forfeited public sympathy—law abiding and reputedly conducted houses suffering for the sins of the law-breaking and disreputable.

Lax administration of the law.

The lax administration of the law has, it is complained, in New Zealand, offered in too many cases in the past a virtual premium on law breaking, with the result that many people have come to despair of effective reform, and to subscribe to desperate remedies on the principle that what cannot be mended had better be ended.

Nationalisation versus Monopoly.

In New Zealand public sentiment sets more strongly against monopoly than perhaps in any other country in the world, and the brewing monopoly (three brewing companies practically control the liquor trade of the Dominion) is a pet aversion of thousands who vote "No License," with no other object than of aiming a blow at this trade triumvirate. These anti-monopolists, who are possibly in point of numbers as strong, though not as demonstrative, as the out and out prohibitionists, hold that prohibition proper is an impossible ideal while human nature remains as it is, and, believing in the nationalisation of all monopolies, see in that expedient the best and most rational remedy for the evils of the essentially monopolistic drink trade. These anti-monopolists, in voting "No License," hope, presumably, to precipitate a state of chaos out of which a system of nationalisation may more speedily evolve.

The Well-to-do Suburban Householder.

Suburban householders largely recruit the "No License" voters. This class, and especially the more well-to-do, in voting "No License" subscribe to no self-denying ordinance. They are not themselves patrons of the public house bar. They are accustomed to order their beer or their wines and spirits from the brewer and wine merchant, and their cellars and sideboards are supplied as liberally as ever. By voting "No License" therefore they simply endeavour to impose a disability on their less favoured neighbours, who have been accustomed to buy their liquors at, and drink them on, licensed premises within the suburb, and who if they drink at all must, in the event of "No License" being carried, go further afield. When these and other conflicting considerations are weighed, it will readily be seen from what mixed motives people vote "No License." Such considerations will account for the weight of "No License" polls, and to many minds must suggest the wisdom of other States watching developments in New Zealand before precipitately following a course the end of which is not yet apparent.

MORE DATA WANTED.

All the data necessary to approve or condemn the "No License" system are not procurable even on the spot. The success or failure of this heroic expedient in New Zealand will have only been fully demonstrated when one or other complete metropolitan area, such as Auckland, Wellington, Dunedin, or Christchurch comes under its operation. Its qualified success in rural centres, which may be admitted, despite some concomitant evils, is really no proof of the wisdom of its more general application. Similarly its operation in odd suburbs, whence drinking may simply be precipitated "over the road" can afford no real criterion of its applicability to large and populous urban communities.

Sir Joseph Ward, the Prime Minister, who is endeavouring with scrupulous impartiality to ensure that an absolutely fair trial shall be given to the "No License" legislation of the Dominion, admitted to me that the system was on its trial, and from the conversation I had with him on the subject I gathered that he is himself very much in doubt as to whether the present movement will make in the end for State Prohibition or the nationalisation of the traffic.

New Zealand being an insular country, and a single political entity, offers a fair field for an experiment in the national prohibition of the liquor traffic. Its relatively large rural population, which is a light drinking population compared with the larger urban and industrial population in Australia, further tends to simplify such an experiment.

CONCRETE RESULTS.

Meantime it is undeniable that the concrete results of the New Zealand system as a means of reducing licenses do not compare favourably with those achieved in Victoria. After a three years strenuous "No License" campaign in the Dominion—a campaign in which all other political issues have been obscured—and into which great bitterness has been imported, what has been achieved? At best 150 licensed houses will be closed, and—the pity of it—not the worst houses at that. The cities proper and the heavy drinking West coast townships, where drinking shops are thickest, and where many of them are of the worst type, are untouched, and there can

be no further reductions anywhere throughout the Dominion inside of three years, and then only after more political turmoil, which is likely to become more and more intensified. Is this result really commensurate with all the labour expended?

The Victorian law, as a piece of effective working machinery, clearly suffers nothing by comparison, since under it, as already stated more than once, 190 licensed houses, and the worst houses at that, have been closed in the brief period of 19 months, and under which the reduction process proceeds steadily and continuously by judicial process. In a word, the machine makes less noise, but it does more and better work.

LATEST LEGISLATION.

It is worthy of note that the South Australian Government and the South Australian Parliament, which are not the least imbued by Liberal principles among Australian Governments and Parliaments, have lately carried a new Licensing Act which, New Zealand's example notwithstanding, stops short of raising the doubtful "No License" issue.

In other respects, however, the South Australian Act contains more drastic provisions than are to be found in any other statute book in Australasia, and as it embodies most of the reforms which, in the Eastern States, seem to be more or less strongly demanded by public opinion, I append the following summary of its leading features, as prepared by the South Australian Treasurer (Mr. A. H. Peake) and furnished to the Adelaide Press:—

License Fees.—After local option reductions the fees are to be increased in accordance with a scale in Schedule C, which works so that approximately the remaining licenses pay the same aggregate as the former licenses paid.

Permits for keeping open after 11 p.m. dropped altogether.

Forfeiture of Licenses.—At present a license may be forfeited for three offences within nine months. Under the new Act it may be forfeited for two offences in two years, and shall be for three offences in three years.

Women as Licensees.—Single women not to be licensed, except those who are licensed when the Act passed.

Bars.—Special permission of the Bench required for using more than one bar room, and an additional fee of £5.

Supplying young persons with liquor.—Age raised to 16, and if the liquor to be consumed by the young person himself the age is to be 18.

Warning against supplying liquor.—Power is given to certain relatives to warn licensees not to supply persons addicted to drink—no longer necessary to obtain order from justices before warning.

Barmoids.—All present barmoids allowed to be registered, but no other persons allowed to act as barmoids after March 31st next.

Local Option.—1. Petitions for polls have to be presented as under the old Act, but the polls must be only on general election days. 2. Only one vote taken on the whole trade, instead of separate votes on the various classes. 3. Only one resolution (that for reduction) to be submitted. 4. A special bench to be appointed for the purpose of deciding what licenses not to be renewed, in pursuance of a resolution for reduction. 5. Two small classes of wholesale licenses withdrawn from local option law—"distillers" and "brewers."

Inspection of licensed premises.—Police will not require special authority each time they forcibly enter suspected premises; they may have standing authority to do so.

Clubs.—More stringent conditions are required before a club may have the right to sell liquor; and the authority to do so is now called a "certificate of registration," not a "license." Power is given to the Governor to exempt *bona fide* residential or athletic clubs from the Act, except certain provisions dealing principally with registration and fees.

Drunkenness on licensed premises.—Under the old Act it was an offence to supply a person who is already intoxicated. The new Act goes further, and punishes the licensee if he allows drunkenness on his premises; and if a drunken person is found there it lies on the licensee to prove that he used all reasonable steps to prevent drunkenness on the premises.

There are many other slight alterations, principally for the purpose of assisting a stricter administration of the law. It should be noted that the section dealing with the jurisdiction of the licensing benches on applications for grants and renewals of licenses expressly sets out, so that no one can have any further doubt on the subject, that the bench may grant or refuse upon any ground, entirely in its discretion, and is not limited to grounds of which notices have been delivered, and that they need not state their ground for refusing.

This measure is largely framed on the New South Wales Act, which latter, however, apart from raising the "No License" issue, contains some even more stringent clauses. For instance: Liquor may not be sold to persons under 18 years of age; no one under 17 years of age is allowed inside any bar; No one may send a child under 14 as a messenger to bring liquor.

An extra fee of £20 has to be paid, at the discretion of the magistrate, for the privilege of keeping an extra bar.

All bars have to be closed on Parliamentary election days.

As regards Sunday trading, permission of gambling, and similar offences, the licensee is presumed to be guilty, and has to prove his innocence.

The distance which "*bona fide* travellers" are required to have travelled to justify their being supplied with liquor, ranges from 10 to 20 miles.

REFORMS BEING URGED IN NEW SOUTH WALES.

The following reforms are being urged to the New South Wales Act:—

By the Liquor Party.

That offences by licensees ought only to affect the license of the licensee and not the license of the premises, and that owners should only be penalised if their licensed houses are insanitary or fail to meet the architectural requirements of the Bench.

That compensation be paid in respect of licensed houses whose licenses disappear under local option.

That the "*bona-fide* traveller" distance be reduced.

That the prohibition of the sale of liquor on election days be removed.

That licensees should be permitted to supply on a doctor's prescription a prescribed quantity of liquor at any time.

That adulteration of liquor with water only be not regarded as such an offence under the Act as may jeopardise a license.

That the word "knowingly" be inserted in the various clauses of the Act, and that the onus of proof should be upon the prosecution in all cases.

By the Temperance Party.

The substitution of a provision requiring only a bare majority to carry "No License" instead of a three-fifths majority as now obtaining.

CONCENTRATING ON NO LICENSE.

Both in New South Wales and in New Zealand the temperance leaders are more and more concentrating on "No License," and on the substitution of a bare majority vote for the three-fifths majority vote now required to carry that issue. Other reforms do not appeal to them. So obsessed are many temperance crusaders by this issue that they are, especially in New Zealand, more or less giving up their work as moral teachers, and assuming instead the role of political propagandists. One "No License" vote gained or one convert to the bare majority principle seems to be regarded as of more real consequence than the making of temperance converts.

SUMMARY.

1. The tendency of all licensing legislation in the Eastern States and New Zealand is to place the liquor trade under more and more severe restrictions. Houses are compelled to close earlier, and in some cases the permit system is abolished. The bona-fide traveller limit has been extended until now the distance ranges from five to ten miles, while in New Zealand the plea of the liquor seller that the customer is a bona-fide traveller is not admissible.

2. Despite this more drastic legislation the administration of the law is, it is generally admitted, more effective than ever. Sunday trading and trading after hours have been reduced to a minimum.

3. Improved administration is attributed to the fact that the law, as regards the offences cited, has now behind it a strong public opinion that at one time was lacking.

4. All recent licensing legislation has proceeded on the assumption that the number of licensed houses is in excess of requirements. No new licenses are granted in Victoria. In New South Wales new licenses are granted only on petition by a majority of electors within a stated radius from the front door of the house proposed to be licensed. Petitioners are required to show that the population of the locality has substantially increased and that existing accommodation is insufficient. In New Zealand no new licenses are granted except where it can be shown that the population has increased 25 per cent., and then only on a local option vote.

5. Not only has a period been everywhere practically put to the granting of new licenses, but machinery is also provided for getting rid of redundant licenses. In Victoria, reduction is effected by a Board who are compelled under the Act to wipe out all licenses in excess of a statutory number which bears an exact ratio to population. When the Board took office redundant licenses on this basis numbered 1,000. In nineteen months the Board had closed 190 houses, covering the whole State and weeding out the worst houses everywhere. In New South Wales reduction is effected by a local option vote. The first local op-

tion vote was taken in September, 1907. As a result, twelve months later 292 licensed public houses and 46 wine licenses were doomed. These houses, however, are not closed forthwith. Some are allowed six months, others up to three years, and a few exceptional cases up to eight years. No poll can be taken again until 1910. In Victoria the process of weeding out proceeds steadily and continuously and houses are closed *on evidence*. The result is that under the Board system the most disreputable and most unsuitable houses in districts that are most overstocked are the first to be deprived of their license.

The result of the local option system is that reduction takes place in districts where the ratio of hotels to population is the lowest and where the houses affected are among the best architecturally considered and among the best conducted. Districts most congested with hotels and where hotels are of the worst type have the utmost difficulty in carrying reduction.

6. In Victoria, houses licensed subsequently to 1886 are not subjects of compensation. Houses licensed prior to 1886, if compulsorily closed by reduction Board, are subjects of compensation. Compensation is provided from a fund raised from the trade by means of a special impost, the general taxpayer contributing nothing. In South Australia houses licensed prior to 1891 were made subjects of compensation for a period of fifteen years. That period has now expired. Therefore, under the law, which is a local option law, no compensation is now payable in South Australia in respect of any house compulsorily closed.

7. In New Zealand, the liquor trade has been under popular control since 1881. Licensing Benches are elected and electors of each electoral district are enabled every three years to declare for continuance of all existing licenses, or for reduction of licenses, or for cancellation of all licenses. Votes for continuance, taking the aggregate for the whole State, have grown from 139,580 in 1896 to 186,861 in 1908. Votes for reduction have advanced in the same period from 94,555 to 161,324 and votes for "No License" from 98,312 to 220,104. In twelve years the percentage of votes for continuance has fallen from 54.9 to 45.5, while the percentage of votes for "No License" has advanced from 30.8 to 52. Taking the Dominion as a whole, 30,000 more votes were cast in November last for "No License" than for continuance. If, therefore, a bare majority vote had been sufficient to close all New Zealand licensed houses and had the option been a State option, the country would now be without a license. A three-fifths majority, however, is required to close all licenses and the option is limited to each electoral district. These limitations, notwithstanding six districts hitherto under "License," declared for "No License," and the six districts previously under "No License" again declared for the same policy. Accordingly, there are, or will be after June next, twelve "No License" districts in New Zealand. Hitherto the "No License" experiment has been confined to rural districts. It is impossible, therefore, to say how it will work in big urban centres. Evidence points to the conclusion that in "No License" towns there is less open drunkenness than under "License," that there are fewer cases of disorderly conduct in the Police Courts, and that removal of the open means of temptation has tended to wean some men from the old habit of tipping. On the other hand, evidence is as conclusive that the aggregate quantity of liquor consumed in New Zealand has been unaffected either by the closing of all licensed houses in six big districts or by the great wave of "No License"

feeling which has been sweeping through the country; that the Drink Bill of New Zealand has steadily advanced from £2 19s. 8d. per capita in 1896 to £3 15s. 10d. per capita in 1907; that much drinking still goes on in "No License" districts; that a closed bar is taking the place of the open bar; that there is more secret drinking and more drinking in the homes of the people; that where a license district is contiguous to a "No License" district, much drinking is precipitated from the latter into the former; that there has been no diminution of serious crime in "No License" districts.

8. The strength of "No License" vote is accounted for by (a) the enthusiasm and splendid organisation of temperance bodies; (b) the woman's vote influenced by woman's natural tendency to seek short cuts to social reforms; (c) the bad reputation of the trade; (d) the past lax administration of the law; (e) the desire of thousands to nationalise the liquor trade and to break down the brewers' monopoly; (f) the objections of the well-to-do suburban resident (whose own table and cellars are well stocked) to having licensed premises in his locality.

9. After all, the concrete results of the New Zealand system as a reduction agent do not compare favourably with Victoria. After three years' strenuous "No License" campaign in the Dominion 150 houses will be closed and not the worst houses at that. The cities proper and the heavy-drinking West-coast townships, where drinking shops are thickest and where many of them are of the worst type, are practically untouched and there can be no further reductions anywhere throughout the Dominion inside of three years, and then only after more turmoil and bitterness which becomes more and more intensified. Compare these results with those achieved in Victoria, where in nineteen months 190 houses have been closed, and these the worst houses, while reduction proceeds steadily by judicial process.

10. The latest licensing Act is that of South Australia. This provides for reduction of licenses by local option but not for "No License." It also provides that licenses may be forfeited for two offences in two years and that they shall be forfeited for three offences in three years. It provides for the ultimate abolition of barmaids. Women at present engaged in the trade are allowed to be registered, but no other persons will be allowed to act as barmaids after March next. The Act also places Clubs under more stringent rules of government, though *bona fide* residential and athletic Clubs are exempted from the Act's more harassing restrictions.

CONCLUSION.

I think I have now surveyed the ground covered by my commission in so far as acquainting you with the main principles and manner of working of the licensing Acts of the State I visited. As for my views of the merits of the rival systems, for which you also asked, these are generally indicated throughout my report. Briefly I am of opinion that the Victorian system, taking it all round, has produced the most satisfactory results, and is likely to do so in the future. Its provision for the payment of compensation from a fund raised by a special tax on the trade alone has made a reduction of licenses comparatively easy, and the administration and disposal of that fund by a judicial body has ensured the extinction of the worst houses without provoking political conflicts, or the obscuring of political issues. Although this system of entrusting the reduction of licenses to what

is a bureaucratic body does not commend itself, in the abstract, to the democratic mind, in the same way as does the principle of local option, under which the people exercise direct control, the concrete results I have quoted seem to afford convincing testimony in its favour. The weakness of the system is, of course, that its success depends entirely on the personal equation—the selection of the members of the Court.

Constituted as the Reduction Court is in Victoria, it has played the part of a wise and benevolent autocracy. Had a less prudent selection of members been made, however, the system might easily have been very much less satisfactory.

The weakness of local option, on the other hand, as a means of reducing licenses is shown to lie in the absurd results which have in so many instances followed its application—the tendency it has exhibited to leave districts obviously overstocked with the worst licensed houses untouched, while blotting out licensed houses in districts where they are fewest in number and of the best class.

I am not convinced that the "No License" principle, as in operation in New Zealand, has been productive of any appreciable benefit to the nation as a whole. I am satisfied that its weaknesses will become more apparent as its application extends to more populous centres, especially when these centres adjoin other populous centres which elect to retain their licensed houses. Besides, until some one at least of the four metropolitan areas of New Zealand, embracing city and suburbs, come under "No License" it seems to me that the system must be regarded as insufficiently tested by experience to warrant emulation. There is one other consideration not to be overlooked. "No License" may be regarded as incompatible with compensation for the reason that in the event of its being carried in a city with a large number of hotels, there would be no adequate fund available with which to settle compensation claims. Again, the extinction of all licenses in any one district may be reached just as effectively, though not so precipitately, by a process of gradual elimination on the authority either of a Reduction Board, or of a local option vote in favour of reduction.

After a study of the whole question I can see little virtue in the time limit, or to the restriction of the payment of compensation to houses to which licenses were granted before a certain fixed date. It seems to me that if the forfeiture of licenses is made mandatory instead of permissive, in the cases where there have been repeated violations of the law, and that provision is made for forfeiture in such cases to carry with it the abrogation of all rights of compensation, a great incentive will be given to licensees to conduct their houses in strict conformity with the Statute, and to owners to be careful as to their tenants. Obviously if payment of compensation is conditioned by good behaviour there will be less temptation to run risks than would be the case if the licensee had less to lose.

If, in other words, repeated convictions for trading on prohibited days, and after prescribed hours (and the fewer these are the better), for selling drink to minors, for allowing drunkenness on, or in the precincts of, licensed premises, for permitting gambling or other vicious practices on licensed premises, are made to involve forfeiture of license, and of all claims to compensation, and if provision be made for a continuous weeding out of undesirable houses, whether by a Board or by local option machinery, the Augean Stables of the trade must soon be cleansed of their worst features.

I cannot conclude this report without saying that, whatever the demerits of the liquor traffic in our own State, the average character of our licensed premises is incomparably higher than those which came under my notice in any one of the States I visited, and this notwithstanding that in Victoria, New South Wales, and New Zealand the process of eliminating redundant licenses, by one means or another, has been in progress for years.

I have the honour to be, sir,

Your obedient servant,

ALFRED CARSON.

P.S.—With the object of obtaining, if possible, some authoritative statements as to the effect which restrictive liquor legislation has on drunkenness, and the relation drunkenness bears to crime generally, I consulted, in Melbourne, Mr. G. H. Knibbs, the Federal Statistician, and in Sydney, Captain Neitenstein, Superintendent of the New South Wales Prisons, who is recognised as a foremost authority, in Australia at least, on the subject of criminology. My inquiries,

however, in these quarters were not very fruitful of results. Mr. Knibbs stated that he had no statistics at his hand that would materially help me, nor did he know if any really convincing figures were available. He, however, was good enough to supply me with what really amounts to a bibliography of the literature on the liquor question, and a quantity of statistical matter dealing with the consumption of liquor in Australia, and the latest figures available regarding the wine industry in the Commonwealth. These really have little bearing on my inquiry, but are at your service if you care to have them. Captain Neitenstein merely stated in effect that it was really impossible to say the exact relation, or anything approaching the exact relation, which drunkenness bore to crime generally. Racial considerations, environment, education, climate, and a hundred and one other considerations, made it impossible to draw definite conclusions as to how crime was effected either by drunkenness or by the restrictive legislative measures which were adopted as a remedy for the vice.

A. C.

Perth, 9th January, 1909.