First. The sale of only the very best liquor; Second that the managers shall have no interest in pushing the sale; and Third, that the monopoly profits shall be devoted to public objects.

The achievement of these objects means a tremendous decrease in, if not the absolute stoppage of, drunkenness; a restriction of the growing influence of the Liquor Trade; a safe-guarding of individual rights; and a general improvement in the life of the community.

As the Public House Trust Association owes its inception to His Excellency, Lord Grey, the Governor-General, it has been possible to go to the fountain-head for information on the subject.

The history of the Public House Trust movement in England commences with a visit of the Rt. Hon. Joseph Chamberlain to Scandinavia in 1877 for the purpose of studying the Gothenburg system of controlling the liquor traffic, from which he returned greatly impressed with the benefits of that system. A Bill was introduced into the House of Commons by him for the management of public houses, but the scheme of compensation proposed for the expropriation of vested interests was considered imperfect and unfair. The Bishop of Chester afterwards introduced a measure in the House of Lords, but it was also wrecked on the rock of compensation. He then organized the People's Refreshment Houses Association, and offered through the Association to manage public houses belonging to private landowners on the trust principle.

In 1901, His Excellency, Lord Grey, having satisfied himself of the success of the limited experiment of the Bishop of Chester, proposed the bold plan of securing all future licenses for trust companies which would manage them in the interests of the community, and not for the personal gain of privileged individuals; or in other words to build a ring-fence round the existing licenses of England and Wales. If this same ring-fence had been commenced 30 or 40 years ago there would have been a very small liquor question existing in England today.

Lord Grey did not sit still and wait for Parliament to act. He just resolved to use the opportunities open to him under the existing law to establish an organization to which Licensing Authorities who had a regard for the interests of the people might entrust the management of the licensed houses which they might think fit.

Accordingly a County Trust Company was formed, in every County but three in England, besides 18 in Scotland and one each in Ireland and Wales.

These County Companies are formed on one plan, and that is: That the personal profit from the sale of liquor must be entirely eliminated; that not more than 5 per cent. must be paid to the shareholders on invested capital; and that all surplus profit must be devoted to public purposes, away from the place where the profit has been made (or over the whole county,) but must not be given so as to reduce the taxes.

The Trust has now 170 public houses in operation, and they are very successful. The managers are paid a salary and a percentage on all non-alcoholic drinks and food and a bonus on good management. The liquors supplied are of the best quality, and are bought, not manufactured by the Trust, so that the manufacturers are not antagonised. The managers have no interest in selling the liquor, but have every inducement, in commission on sales and increased salary, to sell tea, coffee and temperance drinks. They are temperance advocates, instead of being enemies of law and order.

A notable example is seen in the County of Northumberland, (His Excellency's own county,) where there was only one licensed house in a district of 11,000 people. The License Authorities refused to give a new License because they knew that it could be sold for $100,000 the day after, so valuable was it thought to be. The result of this refusal of the Licensing authorities to create licenses which were wanted to meet the legitimate requirements of the people was to produce a growth of private drinking clubs which were outside the control of the Law, and were infinitely more demoralizing and injurious than a well conducted Public House under Police supervision and control. As soon as Lord Grey's Trust Company was formed, the License Commissioners were glad to give them the License which was admittedly required in the interests of the public, because they knew that the special profits resulting from the monopoly value of the house would be secured to the public.

Another curious example of a public-owned public house is in a small mining town, Hill of Beath, in Fifeshire. Here the mine owners bought out the only public house, paying £5,000, for it, and turning it over to a committee of the miners; built a village club; made a fine bowling green; and paid for a trained nurse for the town.

The Association was successful in having a most important clause inserted in the Liquor Bill last year which forbids the granting of any new license unless the management is guaranteed to be good, and unless the conditions are for the good of the public. It further enables the license authorities to expropriate licensed houses on terms which Parliament has defined as fair.

That the Public House Trust is successful from the highest point of view is seen from the fact that France and Germany are studying the question and one house has been established in New York; while Mess. Rowntree and Sherwell, who are the most accurate authorities on this subject, endorse it as the most practical plan that has been evolved. A very interesting report has been issued by the Island of Guernsey, which appointed a Committee to enquire into the retail liquor traffic. The Committee recommends a State monopoly, and points out the advantages as follows:—

1. The elimination of private profit, and consequently of the desire to extend the sale of drink.
2. Greater restriction of the traffic and wider facilities for carrying out reforms demanded by public opinion.
3. Security for the purity of the liquor sold.
4. Greater facilities for the discouragement of drunkenness.
5. A substantial net revenue available for the subsidizing of counter attractions to the public house and for public improvements.