

great Teutonic race who know how to make homes and build States, and how to defend and preserve them. It has enabled us to feel that we could approach another dangerous crisis in our affairs with less trepidation as to the result. It has increased our just pride in the common country. It is a noble precedent, and one which will be quoted

in all time to furnish motives for self-restraint in heated party contests, to give added strength to the reasonings of statesmen, and new force to the appeals of patriots. It will forever remain a conspicuous example of that moderation and love of settled order which are essential to the perpetuity of the Republic.

*James Monroe.*

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### THE GOTHENBURG SYSTEM IN AMERICA.

THE fundamental idea of the Gothenburg system of liquor licenses is the conduct of the retail and bar traffic in spirits without financial reward other than ordinary interest upon the capital invested, and the regulation of the sale by public authority in such a manner that drinking is discouraged and the saloon purged of gambling and immorality. The profits are annually distributed to the community, since it has to bear the social burdens caused by immoderate alcoholic indulgence.

The principal agent for accomplishing this is a commercial company which is granted a monopoly of saloon and retail trade up to sixty-six gallons in one purchase. Shareholders in such corporations are usually individuals or institutions of high standing, while the management is given to persons intelligently appreciative of public interests. To cite an example, the parent company at Gothenburg, which made the first successful trial, was administered for eleven years by the son of the noted clergyman and apostle of temperance, Dean Peter Wieselgren. This gentleman has since been called to a seat in the upper chamber of the Swedish parliament and to the general directorship of prisons for the kingdom. Others, not equal perhaps in social distinction, but quite as eminent in public spirit, have rendered similar ser-

vice. No inconsiderable portion of the success which has attended the plan must be accredited to the sense of civic duty, fortunately so widespread in the Scandinavian peninsula, which has led the better elements of society actively to participate in the regulation of the trade in alcohol.

Each community possesses the right of local option. In the country districts it has been very generally exercised in favor of practical prohibition, only one hundred and eighty-six licenses in Sweden and twenty-seven in Norway, most of them life privileges, being now in existence. Where popular sentiment favors a licensing régime, the magistracy and municipal representatives, with the right of final sanction vesting in the provincial governor, constitute the granting authority. The duties of the crown functionary are largely formal, since he cannot act in opposition to the will of the magistracy or council. Nevertheless, his position as *ex-officio* head of the police service makes him a valuable adjunct. Privileges usually hold good for three years, but the number of concessions may be reduced at the end of any period without creating a valid claim for compensation.

The relation between the licensing authority and the company is necessarily very intimate. The concession of a

monopoly in the saloon and retail liquor trade involves the public interest to such an extent that proper safeguards must be insured. Hence the by-laws, rules of internal administration, regulations of sale, determination of prices and of business hours receive official approval. To inspect the corporation's books at any moment is another prerogative. In like manner no sub-licenses to hotels, restaurants, or clubs may be conceded by the company without authoritative indorsement.

Shareholders of Swedish liquor selling societies receive no other benefit than six per cent. interest on their capital stock. In the larger towns, seven tenths of the net profits go to the municipality, one tenth to the agricultural society of the province (an institution meant to foster the principal industry of the country), and two tenths to the crown. In smaller towns, the local proportion is reduced to five tenths; two tenths are accorded to the county commission of supply, and three tenths fall to the general government. Where companies operate in rural districts, the whole sum is paid directly into the provincial treasury, whence it is distributed, seven tenths to the communities in proportion to population, two tenths to the local commission of supply, and the remainder to the agricultural society of the province. The capital city, Stockholm, forms the only exception, the municipal treasury receiving eight tenths, while the rest goes to the crown. The audit of accounts and inquisition into the general management of the company is performed by a commission representing the various parties to the distribution of the surplus.

Such in outline are the principal features of the Gothenburg system in Sweden. A few years after its creation, it passed over the national border and took root in the adjacent countries to the west and east. In Norway it underwent important modifications, mostly in the line

of stricter public supervision. The fundamental principles of company monopoly and elimination of private gain from liquor selling were conserved, but business profits were no longer emptied into the public treasuries. Their apportionment was confided to a committee composed of the company's directors and a rather numerous body, including sometimes as many as forty individuals, half of them the appointees of shareholders, the other half the nominees of the local government. A veto power was accorded the provincial governor. The destination of the surplus was likewise legally restricted to subsidies for such objects of public utility as the municipality was not already bound to support.

The rate of interest in Norway to shareholders is reduced to five per cent. Public control is further emphasized by the fact that the licensing authority reserves the right to confirm bar-tenders and other employees of the company, by more stringent regulations as to Sunday closing, and by an ordinance which forbids loafing around saloons.<sup>1</sup> Sub-licenses to hotels, restaurants, and clubs are not granted in the same way as in Sweden. Liquor may be sold in them to *bona-fide* guests or members, but business is conducted on the company's account, the proprietor, lessee, or manager being merely the authorized agent. Another feature, which is by no means an improvement, consists in cutting down the limit to which the monopoly extends from sixty-six gallons to ten and one half in one purchase.

Very useful results have followed the operation of the system. Statistics of consumption, the surest test of the efficacy of any plan, when considered with reference to prevailing economic conditions, show that the drinking of spirits in Sweden in 1865, the year the Gothenburg Company was formed, amounted to 11.31 quarts per inhabitant computed

<sup>1</sup> In a Norwegian bar-room, when a man has taken his drink he must leave the premises.

on the basis of fifty per cent. alcohol : 7.42 quarts per individual is the average for the last quinquennial period. A decline of thirty-five per cent. in twenty-five years is a creditable record indeed. In Norway, results have been even more satisfactory. In 1876, when the companies did one twelfth of the liquor business of the country, the average individual drank seven quarts per annum, reckoned at fifty per cent. alcohol. In 1890, the last year for which statistics are available, when the companies' operations included one half of the total sales, the amount consumed per inhabitant was 3.3 quarts, or fifty-three per cent. less than in 1876.<sup>1</sup> The figures quoted include wholesale sales in which the companies take but little part.

Another important achievement has been the diminution wrought in the temptation to drink. The ratio of inhabitants to a license in Swedish towns advanced from 692 to 969 during the decade from 1880 to 1890. An equally favorable showing appears for the urban communities of Norway. The local option features of the law have been employed in both countries to inaugurate practical prohibition in nearly all the country districts. If we consider further that in the companies' bars discouragement to drink supersedes invitation to conviviality, we get a rough measure of the extent to which temptation has been lessened.

Poverty and crime, being less directly related to drink, do not respond so conveniently to statistical analysis ; but the general verdict of competent observers is that steady progress in the right direction has been made. Finally, teetotalism, which counted a mere handful of adherents in 1865, has gathered nearly three hundred thousand recruits in the two Scandinavian kingdoms. The attitude of this large body in not demanding repeal affords strong presumptive

<sup>1</sup> These and other figures are quoted from my recently published report to the United

evidence of the practical efficacy of the system.

The Gothenburg system in its westward progress is to-day seeking a foothold in the British Isles. Thereafter exists no port of call until America is reached, and unless signs altogether fail, we shall soon be called upon to offer hospitality. Massachusetts, in adherence to her policy of leadership in industrial and social reform, has already undertaken to find out if her house is in order to receive the guest.

How far is the Scandinavian method of public control applicable to American conditions? What modifications are necessary to insure its efficient operation in this country?

Analyzing the distinctive characteristics as heretofore presented, one finds that there are many features not at all new to our practice. For instance, the fundamental basis, license with local option privileges, is the policy in many of the States. Such conditions as Sunday closing, prohibition of sale to minors, etc., are incorporated in the statute books of nearly every commonwealth, even if not always observed in practice. Neither is the application of moneys derived from the liquor traffic to objects of public utility a new thing. The city of New York apportioned annually a part of the proceeds from licenses for dispensing intoxicating beverages (\$300,000) to the police pension fund.

But other elements of the system, the elimination of private gain from liquor selling, and the concession of a license monopoly to a commercial company regulated and supervised in the strictest possible manner in the interests of the public and with a view to discourage drinking habits, — these are foreign to previous policy. Is it possible for us to make use of these features as well?

Of course, it is no criterion to argue that because a scheme has been successful States Commissioner of Labor on the Gothenburg System.

ful in one country it will be equally successful in another. Still, it is worth noting that in all three countries where this particular scheme has been tried, Sweden, Norway, and Finland, conspicuous success has been attained under widely different conditions. The first two named, for instance, though the heritage of a single crown, are as divergent as possible in political ideas, and to a great extent also in social customs. The polity of Sweden is aristocratic, while that of Norway is ultra-democratic. Social prestige and influence are the prerogatives of a titled class in the one; in the other the existence of hereditary aristocracy is made legally impossible. As regards local government, in the eastern kingdom the perfect idea prevails, but the western prefers a civil organization much more akin to local autonomy. Neither political system, as a whole, interferes with a wise administration of the Gothenburg policy, since that is dependent only on integrity and patriotism. It is undeniable, however, that Norwegian institutions and habits account for certain modifications which have been made in that country. The centralizing spirit naturally requires that profits shall go to various public treasuries to be retained in relief of taxation, or specifically redistributed as constituted authority may decree; but is it not also a sturdy attachment to the principle of local self-government which dictates the Norwegian practice of apportioning the surplus through representatives of the shareholders and the public combined, and in such a manner that the sense of local civic duty shall not be undermined?

The Norwegian model of the Gothenburg system may therefore well furnish the basis for adaptation to American life. As regards the principle, no modification seems necessary, but it is very important to extend the field of operations so as to include *fermented as well as spirituous liquors*. Herein lies the

weakness of the plan in practice abroad. Historical justification for the policy adopted rests in the fact that spirits, not beer nor wine, constituted the prime artificial beverage of Scandinavians. The temperance party joined with the moderates in encouraging beer-drinking in substitution for stronger alcoholic potions. Hence, while traffic in spirits was hedged about with many safeguards, the sale of beer was left practically unrestricted. Two results have been attained, the one expected, the other unlooked for. The per capita consumption of spirits has declined, but of late years drunkenness has been on the increase. The period when the latter condition was most noticeable in Norway, namely, from 1886 to 1891, is precisely that during which the amount of beer consumed stood at 18.7, 21.9, 22.1, 26.2, 31.2 quarts per inhabitant, in consecutive years. In the larger cities, especially, the good done by early closing, diminution of attractiveness, and the ordinance against loafing in the company's bars has been largely offset by the opening of beer halls and the importation of Continental carousing practices. Capital, too, displaced from distilling, has found a new outlet in beer-brewing, which, so far, has suffered no social or legal taboo.

Further confirmatory evidence is afforded by the analysis of arrests for drunkenness in Gothenburg compiled by the police authorities of that city from 1875 to 1889, inclusive. In the former year, 130 drank last in a beer saloon, and 890 in the bars of the company. In 1889, the numbers stood at 753 and 765 respectively; in other words, the proportion advanced from less than thirteen to almost forty-nine per cent. of the combined quota. Too much faith must not be placed in beer-drinking as a temperance measure. The danger is not that drunkenness is directly produced, but that a brain already aglow with spirits is easily inflamed to intoxication

by a glass or two of beer. It is not a fair and sufficient test of any plan of public control to environ the consumption of spirits only with difficulties and let fermented beverages go free. Under such conditions it is of little use for companies to enforce their rules for blacklisting habitual drunkards, or forbidding the service of spirits to persons slightly befuddled, or in such quantities that intoxication will probably ensue. The appetite awakened by a glass or two of spirits will be sated to drunkenness with a little beer.

The limitation of the Gothenburg system to retail and saloon traffic in spirits has already been recognized as a handicap. Finland and still more recently Norway have given companies the right to undertake a monopoly of the sale of all intoxicating liquors, provided local licensing authorities will concede it to them. Bergen is getting ready to avail itself of the privilege, but, so far, Christiansand is the only Norwegian town of importance where the experiment has been tried. There it has turned out an unqualified success.

A second modifying feature must be the extension of the monopoly limit beyond the ten and a half gallon purchase, as it is fixed in Norway. The Swedish regulation, which places it at sixty-six gallons, is far preferable. A still higher figure, say one hundred gallons, would probably not be unwise. It is very desirable to check the creation of "drinking clubs" and "kitchen bar-trade," and this can then be more easily done, not only because the economic risk is greater, but because the companies have a larger interest to see that their monopoly is respected.

If the sale of liquor can be conducted in Norway, Sweden, and Finland without resulting in private gain, there would seem intrinsically no reason why it should not also be so conducted in this country. If the Scandinavians find the company plan the most satisfactory means of reg-

ulation, why should we not try it also? Granting the principle as sound, it then becomes our care to erect the proper machinery for putting it into practice. Here is the great difficulty. The standard of municipal politics in this country is not what it is in Scandinavia, and this, in the light of what has been said of the intimate relation existing between the companies and the local government, apparently offers an insuperable objection. Many would think it better to leave undisturbed the present unholy alliance, than that liquor and politics should be more closely wed.

There need not be too many misgivings on this score. Wherever the system is in operation, notwithstanding municipal relationships, the saloon is absolutely without political significance. The reason is very simple. Under the system, licensing authorities are incorruptible; all the operations of the companies are subjected to the closest public scrutiny; and as no money is to be made by any one, there is no pecuniary interest to act otherwise than honestly. The profits belong to the community in the sense that they are distributed among objects of public utility, and thirty or forty institutions habitually in receipt of subsidies have a powerful motive to assure themselves that they get their proper share. With the committee of apportionment composed of directors of the company, representatives of its stockholders, and nominees of the municipal council, with the right of veto reserved to the governor after conference with the licensing board, and with the interested watchfulness of the recipients, it is all but impossible for leakage into the pockets of local politicians to occur.

The crucial test of the American mechanism of the system would be the constitution of the licensing authority. It must be remembered that this body would possess much more important functions than one of the same name at pre-

sent. Instructed by the community to issue a blanket license, the members of the licensing board would soon perform their duty in this respect, but they must still remain the responsible intermediary between the corporation and the public. Thenceforth they would be occupied with the number of privileges to be conceded, the company's by-laws, its selection of business places, its price lists, its rules for the conduct of business, the confirmation of the appointment of employees, and the supervision of the contracts made with them. Sub-licenses to hotels, restaurants, and clubs would need to be particularly well looked after. If the corporations sought to encourage drinking, even with the object of increasing the philanthropic dividend, or to exercise favoritism anywhere, it would become the duty of the licensing authority to check them. Further watch over the public interest would be demanded, but enough has been said to show the importance of having this body represent an exalted type of civic character.

It would not do nearly so well to fill the commission by executive appointment or by local election as to constitute it from the judges of secondary instance, for example. The judicial power in the United States has been comparatively little infected by politics, and would be by far the safest repository of the required functions. If it be objected that courts of secondary resort are already overburdened with work, an easy way out of the difficulty is to create additional judgeships. The absolute necessity for an upright, impartial, and disinterested body would offer justification for the step. To put the licensing authority into the hands of the justices of the peace, political appointees of mayor or governor, or the elect of universal suffrage, would be to jeopardize the success of the system, if not to prostitute it altogether to political ends. Whatever dangers the close relations between the commission

and the liquor selling society entail, they are a necessity in the Gothenburg plan. To leave them imperfectly provided for is to foreshadow inevitable disaster.

If the licensing authority, or, as it should properly be called, the board of control, is made unimpeachable, the Norwegian method of distributing the surplus might be adopted. Should the way be opened, however, by which spoilsmen or henchmen of the liquor interest could be chosen, then it would be necessary to have the specific destination of profits decreed by statute. There would be three motives which would lead men of the classes above referred to, or indeed others endowed with an imperfect sense of civic responsibility, to seek places on the board of public control: either to secure patronage; to divert a part of surplus revenues directly or indirectly to their own or their friends' uses; or, in league with the liquor element, to carry on their part in the administration of the system as odiously as possible with a view to causing repeal.

The advantage of specifying the particular recipients of subsidies is that the opportunity for diverting funds into private or political channels would be reduced to a minimum. Those possessing a legal claim would be directly interested to see that they received their full share. Public accounting and civil actions, where disputes arose, would soon disclose any irregularities. But it might be otherwise if largess depended solely upon the good will of the municipal and the company's representatives. One can conceive of a state of affairs where institutions might be given subsidies in the expectation that a portion would be returned to the donors as a voluntary (?) thank-offering. Less generous ones who had no legal claim could not enter suit, and, through litigation, disclose corrupt practices. The ingenuity of the local politician is so varied, and his ways are so devious, that he may be expected to discover the weak points of a mechanism

operating in a field where he has hitherto enjoyed particular favor. Efficient safeguards must be devised to circumvent him.

The Norwegian method of profit distribution possesses one strikingly meritorious quality. The ownership of a share of capital stock carries with it the right to vote for representatives on the committee of management, to which belongs the function of apportionment. A healthy rivalry is thus created for the acquisition of shares, and public interest in the operation of the company is stimulated. It is not far from axiomatic truth to say that whenever civic spirit is aroused, and the attention of that class of the community which makes philanthropy a preoccupation is enlisted, particular objects of scrutiny will behave with circumspection.

If it should become necessary to specify by statute the different interests to be favored with subsidies, I believe that kindergarten and manual training and agencies for healthy recreation should have the first claim. To thousands of urban dwellers the saloon is the only social institution with which they have any near acquaintance. It is made to minister to the gregarious instincts of humanity, and if in his tenement shelter a man's personal identity becomes lost, there, at least, his individuality is recognized. Number 98 becomes Mr. Smith. The conditions of city life need to be vastly ameliorated before there can be an appreciable diminution of drinking, but one of the surest ways of helping along the good work is to offset the social attractions of the bar-room with abundant provisions for recreation and amusement placed within reach of all. Our laboring population goes more often to the saloon to satisfy social cravings than to minister to a depraved appetite. Drinking, at least in the commencement, is a subordinate feature.

As regards kindergarten and manual training, they should be supported, because they have received, generally

speaking, but scant recognition in our educational polity. The one represents the ethical, and the other the industrial elements of education. Neglect of home training during the period when the character is chiefly formed, and that environment of childhood, inimical to sound physical and moral development, which obtains in the majority of our cities, emphasize the importance of the one, as the economic benefits of superior craftsmanship delineate the advantages of the other. The family is the institution which is made most to suffer from alcoholic indulgence; indeed, the future status of children is often dependent upon the amount of liquor the father drinks. Education and recreation may not claim a monopoly in the distribution of profits, but their rights to a generous share are beyond cavil. The proprieties are quite as evident here as in the appropriation of part of the license fees in New York to the police pension fund, while the "sequitur" is perhaps still more clearly established than in the appropriation of the dog-tax to the use of public libraries.

Two or three minor features of the Gothenburg system would need to be Americanized. The artificial beverages of rich and poor must be treated alike, and there must be no upper chamber, with higher-priced liquors, kept open longer than the general bars below. The attempt to deal with the alcohol question chiefly as a social labor problem must be abandoned.

Let us not be accused of lack of faith if we say that to transplant the Gothenburg system to America will require heroic effort. Not only will liquor have to be fought on the social and economic side, but it must also be reckoned with as a political factor. In the latter respect, conditions are going from bad to worse. Why trifle further? Why not invite the struggle openly on the issue of the only plan of control which eliminates the political influence of the liquor

interest, and abolishes altogether the saloon as we know it to-day? If ever municipal politics are permanently purified, it will not be through outbursts of righteous wrath followed by periods of supine indifference. The proper method is to apply different levers gradually to lift up the incubus of corruption. The Australian ballot and civil service reform represent two which have already been pushed under and wedged. Let the Gothenburg system be the third. By the employment of a rational policy like this, final good will be surely if slowly reached; surely, because the three agencies mentioned stand for chemical disintegration, while the outburst is but a lightning flash playing harmlessly around the mass and portraying its native ugliness, — illuminating but not destroying it. Greater purity in municipal politics, while not an absolute prerequisite, will assuredly follow the introduction of the Gothenburg system.

In many respects the United States of-

fers more favorable conditions for commencing than did Norway and Sweden. No legal obstacles oppose; liquor selling has never been considered a vested interest; nor are we hampered by lifeholding privileges. Furthermore, we are accustomed to all sorts of experiments in regulating the trade in alcohol. Not infrequently are prohibition, high license, and low license tried in the same community during the course of a single decade. Climate and custom, too, are in our favor.

Very soon the eyes of a great many people in this country will be turned towards Massachusetts. A commission has been appointed to investigate the Scandinavian method, and it is to be assumed that legislative action will follow its report. In the mean time, let us not forget that a quarter of a century's trial shows it to be the most successful system yet devised where licensing prevails, and that it represents a distinct step in political as well as in social progress.

*E. R. L. Gould.*

## THE PERMANENT POWER OF GREEK POETRY.

IN any survey of Greek poetry, epic, lyric, and dramatic, one may see how, in each successive phase, it was the voice of Greek life. The very word "literature" is fraught with associations which tend to obscure this fact. Writing was, indeed, the instrument by which the poems were preserved and transmitted; in the second half of the fifth century B. C., copies of the most popular works were diligently multiplied and widely circulated. But it belonged to the very essence of all the great poetry that it appealed to hearers rather than to readers. The Greeks of the classical age were eager listeners and talkers; they delighted in lively conversation and subtle discussion, but

they were not great students of books. It was the interchange of living speech that sharpened their quick apprehension and gave elasticity to their intelligence. There is a striking passage in the *Phædrus* of Plato which expresses the genuine Greek feeling on this subject. The written record of thought, Socrates says, is, taken by itself, an inanimate thing. There are two brothers, the spoken *logos* and the written *logos*: but the first alone is true born; the second is illegitimate; it does not inherit the full capacities of reason; if it is questioned, it remains dumb; if it is attacked, it can offer no defense. The spoken *logos*, indeed, alone is really existent; the