

1917.
NEW ZEALAND.

NATIONAL EFFICIENCY BOARD

(REPORT OF) ON THE LIQUOR QUESTION.

Laid on the Table of the House of Representatives by leave.

National Efficiency Board, Wellington, N.Z., 9th July, 1917.

Memorandum for the Hon. Sir James Allen.

THE National Efficiency Board forwards to you, for submission to the Government, the following report upon the liquor question.

WILLIAM FERGUSON, Chairman.

The National Efficiency Board, by advertisement, sought evidence from representative organizations and interests as to the advisableness of the restriction, continuance, or abolition, during war conditions, of the vending of wine, beer, and spirits.

Evidence was principally taken in Wellington before the full Board, but a few witnesses, who found it not convenient to attend in Wellington at the time when the inquiry was being conducted by the Board, were examined before individual Commissioners in Auckland, Wellington, Christchurch, and Dunedin. Transcripts of the notes of such evidence have been submitted to and considered by all the Commissioners. Sundry resolutions by local organizations and others bearing upon the liquor question have been received.

Evidence was tendered by more than sixty witnesses, drawn from various classes of the community, and the matter was investigated from as many aspects as were presented, and, where possible, statements and quotations made have been traced and verified.

The witnesses who tendered themselves represented brewers, hotelkeepers, wine and spirit merchants, chartered clubs, employees in hotels and in clubs, hop and barley growers, and merchants, vine-growers and winemakers, the New Zealand Alliance, and other temperance organizations; there were also independent temperance advocates, representatives of certain Church bodies, and of Women and Children Protection Societies, the British and Foreign Sailors' Society, general merchants, manufacturers, and employers, including farmers. Judicial, magisterial, medical, and military evidence was also taken. In connection with other inquiries the Board has had matters depending upon the liquor trade brought under its notice, and this material has been considered by it in connection with the evidence specifically taken for this inquiry.

There are three main points for consideration, each in itself separate and distinct:—

- (a.) As to the moral effect upon the life and progress of the nation caused by the manufacture, sale, and consumption of alcoholic drink.
- (b.) As to the public revenue derived from the operations of the liquor traffic.
- (c.) As to whether the liquor traffic encroaches upon, hinders, or retards the efficiency of the nation. As to whether the liquor traffic lowers the physical and mental standard, and so reduces the productive value of the individual and collectively of the people. As to whether the liquor traffic causes a national economic loss.

With regard to (a): The Board has not permitted its judgment to be influenced by the moral aspect of the question, but has arrived at its conclusions quite apart therefrom.

With regard to (b): This largely is a Government question, and the comments that the Board offers thereon are—That the people should be better able to provide the necessary amount of taxation if the inefficiency at present created by the effects of alcohol is removed. That less expenditure will be required in connection with the Police and Prisons Departments, the Hospital and Charitable Aid Boards, the mental hospitals, the inebriate homes, and for other public institutions. That the increased national thrift which is most desirable and which would follow the diversion to productive trade channels of the money now spent upon liquor would, in the opinion of the Board, as evidenced by world-wide experience where the abolition or reduction of the use of alcoholic liquor has operated, more than counteract the loss of public revenue now received from this source. That the money now spent on liquor, if its sale were stopped, would be spent or invested in some other direction. If spent, the expenditure produces, directly or indirectly, a revenue to the State; if invested it becomes subject to annual taxation.

With regard to (c): From a national-efficiency point of view the Board is convinced that it would be beneficial to the nation and conducive to the well-being of the people that the importation, manufacture, and sale of wines, beer, and spirituous liquors (including medicinal preparations containing alcohol) should be prohibited. This view is supported by results obtained in our own country under conditional prohibition, and this experience is confirmed wherever prohibition has operated. It would be necessary to exempt methylated alcohol for commercial purposes and pure alcohol for chemical or medicinal requirements.

The Board finds that the two chief factors in the continuance of the liquor trade are public custom and the financial interests involved. The Board is satisfied that the greatest efficiency would be attained both for the nation and the individual by a state of complete prohibition, but the Board recognizes that prohibition is a people's question, and should be determined only by an expression of the voice of the people. It therefore recommends that legislation be passed sub-