

Mr. Dowell, who was a licensee at the time in a free house (R. 5372), said the relations between the licensees and the brewery companies were very good (R. 5370). The view expressed by these bodies on the question of tied houses was as follows:—

Houses financed by the trade.—In our opinion this is not inimical to the public, as those who had the financing, in their own interests, take every care in selecting persons who will be successful as licensees. (R. 5368.)

521. The witness said (R. 5378) that there was one managed house in Hokitika and one in Westport. He thought that 30 per cent. of the houses on the West Coast were tied houses and that there were more free houses on the West Coast than in any other district in New Zealand.

522. As members of the executives of the Licensed Victuallers' Associations should have the most intimate knowledge of hotel conditions from the inside of the trade, we regret that we did not receive evidence from the New Zealand Licensed Victuallers' Association and other provincial associations.

523. In assessing the advantage or disadvantage of the tie, the most important question seems to concern the pressure upon a licensee to sell liquor because the brewery or the wholesale company has either (1) fixed the rent so high as to require the licensee to push the sales to keep himself solvent or to maintain his finances, or else (2) has a policy of requiring licensees to maintain a regular volume of weekly or monthly orders. The weight of the evidence is that the existence of the tie enables this pressure to be exercised.

524. Evidence was given by police officers of representations to them by licensees of this pressure. Inspector Lopdell said that he had had frequent complaints from licensees that the terms of their agreements were too onerous (R. 2974). He admitted that it was possible the licensees might not have been telling the truth (R. 2998). Evidence to the same effect was given by Constable W. A. Caldwell (R. 1413 and 1419) and by an ex-policeman, Mr. H. H. Lowe (R. 1596).

525. Mr. Robinson, a director of Hancock and Co., Ltd., admitted (R. 3846) that, over a period of years, licensees of his company had complained from time to time that the rent was excessive. We have already referred to his method of dealing with these complaints (para. 486, *supra*).

526. Mr. J. B. Donald, a well-known merchant of Auckland, said that tied houses were an evil needing close investigation to ensure that those in charge of these hotels were not bound by their agreements with their principals to go at top speed. Cross-examined (R. 3028), Mr. Donald said:—

I do not see any necessity to break the tie because if breweries own twenty or fifty hotels they naturally would want to have their own liquor consumed on the premises. I had in mind that some means should be devised whereby they should not be driven at what I call extra top speed all the time to get as much as possible out of the hotel. Say, for argument's sake, an hotel is supposed to turn over £500 a week, and another man is put in in place of the one just gone out, and it may fall down to £450. Then there is trouble and they want to know what the trouble is, and he is spurred on to make it up to the £500 or a little better. That may lead to evils, and I think, personally, it does.

527. The following twenty-six Licensing Committees expressed themselves as against tied houses: Auckland, Otahuhu, Waitemata, Remuera, Onehunga, Thames, Hamilton, Waikato, Raglan, Rotorua, Waipawa, New Plymouth, Stratford, Wairarapa, Rangitikei, Buller, Westland, Motueka, Christchurch, Avon, Riccarton, Lyttelton, Timaru, Temuka, Waitaki, and Central Otago. The other Licensing Committees express no opinion upon the point. No Licensing Committee expressed itself as being in favour of tied houses.

CHAPTER 25.—ALLEGED UNFAIR DISTRIBUTION OF SUPPLIES

528. *As between Wholesale Merchant and Retailer.*—The Auckland Provincial Licensed Victuallers' Association in its statement to the Commission (quoted above, para. 518) said it was concerned with the question whether there was a fair distribution of stocks amongst all the hotels or whether the wholesale companies which control nearly all the