

companies allow the hotels a certain percentage for waste, and that waste or "dregs" slips are supplied so that returns may be made by the hotels to the companies. On the other hand, there is evidence that these waste slips may not always be used (R. 2582). Whether they are used or not, the main question is whether dregs are collected for sale and sold.

549. Evidence was given before us by three men who had been employed as barmen in Auckland hotels, but were employed in other occupations when they gave evidence. Each of them said that, in the bar in which he had worked, he had personally seen dregs saved and poured into barrels and resold to the public. Each witness spoke of different bars, save in one case where two witnesses spoke of the same bar, but of different occasions in that bar. The evidence of these three witnesses was denied by the licensees and by barmen in the hotels in question.

550. The first witness to give evidence had let it be known that he would give evidence, and he had been threatened with violence by a licensee if he did so. The other two witnesses came forward voluntarily because of the newspaper report of the evidence of the first witness and, one of them said, he came forward because of the denials of the first witnesses's evidence. In our view, it is only fair that these ex-barmen should have our opinion upon their credibility. Having seen all the witnesses and taken into account the cross-examination of all the witnesses and comment by counsel, we have no hesitation in saying that the evidence of these three men was reliable and should be accepted, and that the evidence of the licensees and of the barmen to the contrary was not reliable and should not be accepted.

551. The first witness, who gave most of the evidence, had not previously complained to the police or the Health Department. He had, on one occasion, tried to see the secretary of the Hotel Workers' Union, but had not succeeded. He had, however, written a letter to a Wellington newspaper, dated 13th January, 1945, concerning his complaints, which was not published in the newspaper, but which he had circulated to various unions and workers whom he knew.

The evidence of one complainant was properly criticized on the ground that he had been convicted in December, 1940, of selling liquor without a license (R. 3374) and that he had denied doing so. The explanation of his denial was that he had not sold the liquor, but had had a lottery or "tarpaulin muster" in order to pay for the drink. Taking the conviction into account, we, nevertheless, think that the evidence which he gave before us was reliable.

552. Evidence was given by a licensee-manager that his company had given him instructions that he was not to use slops (R. 3398). We do not assume that any company would have approved the practice, and we think that, as the complaints were not conveyed to the employers at the time, we should omit the name of any hotel in question in this formal report. Nevertheless, we think we should state the facts which were proved.

553. During a period of five months in 1941 (R. 3393) dregs were saved at a managed hotel in Auckland by being poured from the drip-trays into jugs, then into a bucket, and, after 6 p.m., poured by the barmen through a funnel, with a cloth over it, into two barrels which were standing in a corner behind a wooden screen, whence the contents were passed by gas pressure back to the taps on the counter (R. 3389 and 3394 and 2563). The object of the cloth or towel was to strain out foreign matter. This return of the dregs to the barrels for sale again to the public was done with the knowledge of the licensee and with the authority of the head barman. It was done every night of the week. Sales were made of these dregs by partly filling jars or riggers brought in by customers, who did not require to take them away immediately, and then by "topping off" the jar with new beer (R. 3389).

554. The same practice occurred at the same hotel during a period of three weeks from the 30th January, 1942, to the 20th February, 1942 (R. 2567). The witness explained that, for the purpose of putting the dregs into these barrels behind the wooden