

tenancies. It is clear that people in the trade in Wellington understood that there were short tenancies in Auckland. Mr. Martin Kennedy, of Staples Brewery, said (p. 80, No. 15):—

I may say that we were going to try yearly tenancies in order to check the frequent change of licensees; but a very strong feeling arose against this innovation, and it was alleged that, as there were no leases in Auckland, we were trying to follow suit, and the complaint was so serious that we gave up and granted those recent leases I mentioned—those I just read out. Otherwise we should prefer that there should be no leases, or very short ones, and no bonuses, and that the lessees should remain in the houses so as to stop the evil of frequent changing.

148. Apart from the factor of short tenancies, it seems that the Auckland wholesale trade was in but a few hands. Mr. Arthur Myers said (p. 25):—

In Auckland we are unique, in so far as the concentration of the wholesale trade in a few hands is concerned.

Also, it is clear that the brewers and wholesale merchants—viz., Hancock and Co., Ltd., Campbell and Ehrenfried, Ltd., the Great Northern Brewery Co., Ltd., and L. D. Nathan and Co., Ltd., had mutual business arrangements (see 1902, L.C., p. 55, Nos. 603 to 606, and p. 50, Nos. 451 and 452, and p. 51, No. 489 to 494). We are also aware, from evidence given orally before us, that Hancock and Co., Ltd., and L. D. Nathan and Co., Ltd., were at this time (1894 to 1896) acting together in the acquisition of hotel properties at Rotorua.

149. The evidence shows that, even in 1902, the great majority of the hotels in Auckland Province were under the control of the brewers and wholesale merchants, either as freeholds or leaseholds as outlets for their beer, wines, and spirits.

150. It appears then that, in Auckland in 1902, when the tenancy of licensed premises was short, the tenant had no goodwill and that, when the tenancy was long, the tenant could not traffic in its value to the detriment of the brewer or wholesale merchant if the few in those businesses chose to support one another.

151. In Wellington the position was different. Most of the houses in the city were tied houses. Mr. Kennedy, of Staples and Co., indicated, when he was presenting a letter in support of the business dealings of his firm, that the list included nearly all the owners of free houses and said that “the four free houses in the city” did a very large proportion of their business with Staples and Co. (p. 81, No. 19). It appears that until about 1902, leases in Wellington had been generally for terms of years, from five to ten or more. One was as short as three years. Within two or three years before 1902 hotel brokers had been busy assisting the tenants to dispose of their hotels. A contributing reason for the trafficking in leases and licenses, Mr. Kennedy thought, might be that, as the tenants were not tied to his company for wines and spirits, wine and spirit merchants were assisting with the transfers (p. 79, No. 14, and p. 83, Nos. 69 to 71). Mr. Kennedy made bitter complaint of the practice of speculation in leases by the tenants. He said they were being induced to purchase at prices that were too high and that they were not financial when they went in. If they were driven to after-hour trading, he had no sympathy with them. He had thought of various ways of stopping the practice, but there seemed to be objections to all methods of prevention. He had attempted, without success, to follow the Auckland practice of the short lease (referred to above, para. 147). On the other hand, a well-known hotelkeeper of Wellington, Mr. Edward John Searl, said that he had become aware that monthly tenancies had recently come into vogue, and he gave the names of hotels under them (1902, L.C., p. 87, Nos. 37 to 40, and p. 90, No. 129). Actually it appears from the report that Staples and Co., had a clause in their leases in 1902 enabling them to repurchase a lease and secure the transfer of the license upon giving one week's notice and paying to the tenant the costs of the transfer and such part of the price of his lease as was proportionate to the unexpired term. This clause is set out in the report (1902, L.C. 2, 113 and 114).

152. Another method adopted by Staples and Co. to stop speculation was the use of the power to refuse consent to the transfer of a lease. They did this on some occasions