

with success and secured delay, but they claimed that in the end they never refused consent to a desirable applicant (1902, L.C., p. 80). However, there were the difficulties in the way of refusal which we have already quoted (para. 144).

153. In 1902 brewers and wholesale merchants could also require a payment by their lessee for their consent to a transfer, but Mr. Kennedy, of Staples and Co., said his company did not do that (p. 80). On the other hand, his company sometimes required premiums on the renewal of leases instead of asking a higher rent (p. 79, No. 13).

154. According to Mr. Kennedy, of Staples and Co., if speculation by lessees in the goodwill of their leases could be stopped, the tied house was much better than the untied house. A different view was expressed by Mr. E. J. Searl. He kept a first-class hotel, and he said that the tied-house system was the curse of the trade. It put into hotels "beer men," not hotelkeepers, but keepers of grog shops, whose sole object was the beer trade and who never tried to give accommodation to the public (p. 87, Nos. 28 and 29).

155. In Wanganui and Taranaki there was apparently much speculation by tenants in their leases. Mr. Hope Gibbons, of Gibbons and Hole, brewers, Wanganui, said that their leases were for terms of years, about seven years (p. 20, Nos. 334 and 335), and that speculation in them was the bane of the whole business (p. 19, No. 310). He said that his firm had about thirty tied houses (p. 20, No. 339), and that 75 per cent. of the houses on the Coast were tied (p. 20, No. 337).

156. It appears from the evidence of Mr. Martin Kennedy, of Staples and Co., that the South Island brewers were bidding for hotels in the Wanganui area (p. 85, No. 113). The question and answer were as follows:—

Q. As to these frequent changes of hotel property—I have seen a good many, particularly where I have been living, Taranaki—do you think that they are partly due to this: that the various brewery companies outside, the North Island are anxious to obtain a footing here and so they help to run up prices?—A. No doubt. The fact of the local brewers in the neighbourhood of Wanganui and other places having to struggle for existence against such competitors has much to do with these high prices. The last few years prices have run up so high that we have virtually ceased to compete; we consider the risk is too great.

Mr. Arthur Myers said that he knew that in Taranaki there was a combination among a class of men to buy hotels and keep them under their own system of management exclusively (p. 27).

157. It does not appear that the remedy of the short-term tenancy was being applied in Wanganui, but Mr. Hope Gibbons said that he was refusing financial assistance to budding publicans.

158. One kind of tie was explained by Mr. Frederick Charles Faber, of the Rutland Hotel, Wanganui. He said, in effect, that advances were secured by a guarantee at the bank, and that, if the tenant took his liquors from any brewer or merchant other than the guarantor or guarantors, they could withdraw their guarantee (p. 74, Nos. 177 to 183). This witness said that he was himself only under a moral obligation to the brewer and the wine and spirit merchant. They had helped him over a difficulty, and, therefore, he dealt with them (p. 73, Nos. 142 and 143).

159. In Canterbury it appeared that all leases were for terms of years. There were various estimates of the number of tied houses, but it is clear that the great majority were tied. Mannings brewery had from thirty to forty in Canterbury (p. 14, No. 177). Fletcher Humphreys and Co. had from twenty-five to thirty (p. 18, No. 271). The Crown Brewery was said to have about fifty houses (p. 100, No. 7). Estimates given by witnesses were that at least two-thirds (p. 16, No. 236) of the houses in Canterbury were tied, or at least three-quarters (p. 43, No. 281), or that nearly all were tied (p. 58, Nos. 70 and 71). These estimates were given on the basis that the tie existed under the optional rent and, in practice, whenever the hotelkeeper was under a financial obligation to his brewer or wholesaler (p. 56, No. 11; p. 58, No. 72; p. 59, Nos. 96 and 97; and p. 59, No. 100).