the amount of duty paid. The stamps represented duty at the rate of 3d. per gallon, and this rate was in force from 1880 to 1915. The stamps were purchased by the brewers from Collectors of Customs and a discount of 5 per cent. was allowed on purchases of £10 and over.

The chief objections to the stamping system were stated by the Customs Department (R. 309) as follows :—

(*a*) Liability of the stamps to get damaged in transit ;
(*b*) Possibility of stamps being returned to the brewer undefaced by the hotelkeeper and the consequent danger of the casks being filled up and sent out again without payment of duty ;
(*c*) Lack of supervision in the brewery and possibility of brews being understated ; and
(*d*) Possibility of beer being bottled without payment of duty.

183. The Finance Act of 1915 introduced the method adopted in England of taxing beer on the quantity of the worts pitched for fermentation, the duty being payable according to the specific gravity of the worts. The Act prescribed a duty of $3\frac{12}{16}$d. for worts not exceeding 1047 specific gravity. Where the specific gravity exceeded 1047 but did not exceed 1055, the rate was increased by $\frac{1}{16}$d. for every unit of specific gravity above 1047. Where the specific gravity exceeded 1055 the duty was $4\frac{4}{16}$d. plus $\frac{2}{16}$d. for every unit of specific gravity above 1055. There were changes during the ensuing years in the actual rate of duty per gallon.

184. Although the English method of taxation was adopted, the lowest quantity of 2 gallons which a brewer might sell under his license was not increased to the amount permitted in England to the holder of a manufacturer's license who was a brewer for sale. That license authorized wholesale dealing in any liquor which was the produce of the manufacturer at the premises where the liquor was manufactured if the liquor was supplied to the purchaser direct from the premises where it was manufactured : see Paterson's Licensing Acts, 53rd Ed., p. 440. In the case of beer and cider, this wholesale dealing was limited to any quantity not less than 4½ gallons or not less than two dozen reputed quart bottles : see Paterson's Licensing Acts, 53rd Ed., p. 441. In New Zealand, however, brewers' licenses have, since the Distillation Act of 1868, permitted the sales of quantities as low as 2 gallons.

185. This quantity of 2 gallons has been found suitable for what is, in practice, a retail trade in bottled beer. Under section 6 (4) and section 28 of the Beer Duty Act, 1908, a brewer was not entitled to sell beer except in casks of the prescribed sizes at his brewery or other place where beer might be legally stored prior to the duty being paid thereon or except in bottle at his bottling store away from the premises of his brewery. The quantities which brewers could sell included casks (a cask comprising any receptacle) of various capacities down to 2 imperial gallons (*N.Z. Gazette*, 1888, p. 1426). The provisions of section 6 (4) and of section 28 of the Act of 1908 were omitted from the Finance Act, 1915, and in lieu thereof section 38 (7) of the latter Act provided that a brewer's license entitled the holder to sell, in quantities of not less than 2 gallons, beer brewed at his brewery without taking out a wholesale or other license under any other Act.

186. Some brewers took advantage of this authority to institute the practice of selling and delivering beer indiscriminately from carts or vans : see letter of Comptroller of Customs to counsel for the Commission of 31st January, 1946. In order to prevent this practice, section 46 of the Finance Act, 1917, provided :—

(1) That a brewer should not sell or deliver any beer at any time when it was unlawful to sell intoxicating liquor in any licensed premises within the licensing district as defined in the Act ; and

(2) That no beer should be sold under a brewer's license unless the delivery was to be made from a brewery or from a depot or bottle store approved by the Collector of Customs.

187. When these provisions were explained in Parliament, the Minister of Finance said :—

Provision has been made for the sale or delivery of beer to be made only between 7 a.m. and 6 p.m. and at his brewery or an approved depot or bottling store. (*Hansard*, Vol. 179, p. 695.)