

694. The position at Ashburton was stated to us by the solicitor for the Ashburton Borough Council, who gave evidence on behalf of the Borough Council. He said that the following licensees outside Ashburton had established the following agencies within Ashburton (R. 5276) : The licensee of the Chertsey Hotel (twelve miles north of Ashburton) had two agencies, one of which had recently been closed following a conviction for breaches of the law ; the licensee of the Railway Hotel, Rakaia, had one agency ; the licensee of the King George Hotel, Christchurch, one agency ; Ballins Brewery, Christchurch, one agency ; Maling and Co., Ltd., wine and spirit merchants, Christchurch, one agency ; the Timaru branch of the National Mortgage and Agency Co. of New Zealand, holding a wine and spirit license, one agency (being the Ashburton branch of the same company). The solicitor also stated that one wine and spirit merchant (Bishop and Co., Ltd., of Christchurch) whose agent had died recently had announced its intention to reopen its agency after the war.

695. For the most part these agencies in Ashburton occupy small shops in the low-rental part of the town. They do not pay any license fees to the Borough Council and do not provide any accommodation for the travelling public. They pay low rates on their property, and most of the money which passes through their hands goes out of the town.

In the past there have been numerous convictions for sly-grog selling in connection with these agencies, though the Borough Council did not suggest that the present agents were not observing the law.

696. At Mount Somers, which is twenty-six miles from Ashburton, there are two agencies, one for each of the two licensed hotels at Methven, nineteen miles away. One of the Agencies at Mount Somers is the local boardinghouse, and the other a private house (R. 5253, 5309, 5317, and 5337). In respect of these agencies, Mr. R. A. Burnett (the managing director of the Blackburn Coal Co., Ltd., the Mount Somers Mines, Ltd., and the Burnett Transport Co., Ltd., and with interests in other mines), said that the agents for the Methven hotels at Mount Somers sold liquor in large quantities and that the sales were detrimental to the welfare of the men working in the district. He said the men stocked up at the week-end and sometimes there were not very many men working in the mines on Mondays.

697. If the method of sale through an agency, strictly carried out, is in accordance with the law, then it is also a method which is open to great abuse. The person conducting the agency can himself give orders to breweries, wholesale merchants, or publicans in any part of New Zealand and obtain 2-gallon lots addressed to himself. He can then engage in sly-grog selling. There have been recent convictions in Ashburton, where it was proved there was more liquor on the premises than could be accounted for by the orders held by the agency. On one occasion persons were found drinking on the premises (R. 5263). In respect of Mount Somers, the Anglican clergyman, the Rev. L. K. Collins, said : " The law is very greatly ignored " (R. 5338). One agent was recently fined £50 for selling liquor on a Sunday (R. 1176).

698. The Commissioner of Police informed us that he was strongly opposed to the agency system. He said it was too difficult to detect and was open to too much abuse (R. 1175 and 1176). His general understanding of the position was that the agencies sell to people whom they know, but not to strangers (R. 1176). It is obvious, too, that the agencies may spring up at any time, anywhere, and may keep open and do business at any hour of the day or night.

CHAPTER 34.—FAILURE TO INSTALL PROPER SYSTEMS OF ACCOUNT, DISTINGUISHING BETWEEN THE BAR AND THE ACCOMMODATION SIDE OF AN HOTEL

699. We have already referred to this matter (paras. 614-621, *supra*). The evidence generally for the trade was that it was impracticable to allocate the revenue and expenditure between the bar and the accommodation sides of an hotel. Actually an apportionment was made in respect of the Empire Hotel, Wellington (see paras. 619-621, *supra*), though we do not know on what basis.