

(4) That once a person has been convicted of sly-grog selling, he should be prohibited from obtaining further liquor for a period (R. 855).

(5) That the hours of sale should be extended. Some witnesses doubt whether this would have any effect.

(6) That redundant licenses should be cancelled and new licenses issued where required (R. 1162).

PART VIII.—MISCHIEFS RELATING TO CONTROLLING AUTHORITIES

CHAPTER 37.—SUBMISSIONS AGAINST PUBLIC AUTHORITIES

744. Submissions have been made to us that some public authorities which have the duty of controlling the trade do not adequately discharge their duties, and that, in some cases, the trade has exercised a direct or indirect influence in its own favour upon some of these public authorities.

We proceed to consider such of these submissions as we think should be dealt with in this report—viz., those concerning the Customs Department, the police, Licensing Committees, and the Price Tribunal.

745. We refer first to the submissions made against the Customs Department in respect of—

- (1) The 10 per cent. allowance for wastage brought into operation in 1915 ;
- (2) The permission granted to New Zealand Breweries in 1926 and in subsequent years to have unlicensed distributing stores for Speight's beer in various towns throughout New Zealand ;
- (3) The Westland Brewery case in 1941 ;
- (4) The war taxation of May, 1942, which, it is alleged, enabled the breweries to meet the increased duty by using additional water ;
- (5) The permission granted in September, 1942, to the wholesale firm of Hughes and Cossar, Ltd., to manufacture liqueurs ; and
- (6) The allowance in May, 1943, of sugar in the manufacture and priming of beer.

CHAPTER 38.—CUSTOMS DEPARTMENT: THE WASTAGE ALLOWANCE TO BREWERIES

746. Section 55 of the Finance Act, 1915, is as follows :—

When the whole of the worts for any brewing are in the fermenting-vessels the brewer shall immediately cause to be correctly entered in the brewer's book the quantity and specific gravity of such worts, and the duty shall be paid as upon beer in accordance with such quantity and gravity, less such allowance for wastage in manufacture and use on the brewery premises as may be prescribed :

Provided that it shall not be lawful to delay the running into any fermenting-vessel of any part of the worts to be fermented beyond six hours from the time at which yeast is first added to any of such worts.

747. This section introduced the English method of imposing duty upon beer. The section plainly contemplates that the duty is to be paid upon the worts for any brewing as though the worts were beer, in accordance with the quantity and gravity of those worts when the whole of them are in the fermenting-vessels. The duty is payable upon "any brewing" and is therefore payable in respect of each particular brew. The quantity of worts is to be reduced for the purposes of taxation by such allowance for wastage in manufacture as may be prescribed. The reason for this allowance is that the tax is imposed upon the worts as beer, and therefore any wastage involved in the process of manufacturing the worts into beer should be deducted from the quantity of worts.