

and other spirituous liquors. The power to issue a license under section 4 for the manufacture of these spirits has not been exercised since the year 1874. At that time two distilleries were operating, one in Auckland and one in Dunedin. Prior to 1874 the duty on locally made spirits was only one-half of the duty upon imported spirits. By the Excise Duties Act, 1874, the duty on spirits distilled in New Zealand was raised to the level of the duty on imported spirits. The two distilleries were closed, compensation being paid to the distillers. Since 1874 all Governments, as a matter of policy, have refused applications for the issue of a license under section 4 of the Distillation Act.

28. *Spirits for Winemaking.*—Under section 12 of the Distillation Act, 1908, as amended by section 30 of the Customs Acts Amendment Act, 1934, the Minister of Customs may grant to the owner or occupier of a vineyard of not less than 5 acres in cultivation a license to keep and use a still for the purpose of distilling spirits from wine or the lees of wine, such spirits to be used for fortifying the wines produced on the vineyard, and so that when fortified they do not contain more than 40 per cent. of proof spirit. In 1945 there were 18 licenses for these wine-stills—13 in the Auckland District, 4 in the Napier District, and 1 in the Gisborne District.

29. *Wine.*—Under section 11 of the Licensing Amendment Act, 1914, a Stipendiary Magistrate may grant a winemaker's license for the manufacture of wine. Wine is defined to include any liquor being the produce of fruit (other than apples or pears) grown in New Zealand, and of a strength not exceeding 40 per cent. of proof spirit. The license continues until the 31st December next after its issue. It permits the holder to manufacture during the year of the currency of his license the quantity of wine stated in his application for the license, which may be a quantity not exceeding 500 gallons, or not exceeding 1,000 gallons, or a quantity exceeding 1,000 gallons.

30. *Beer.*—Beer may not be brewed, except under a license issued by the Minister of Customs pursuant to Part III of the Finance Act, 1915. This Act is expressed to be an Act to grant certain duties of Customs and excise and to deal with other matters of revenue, but, in relation to beer, Part III constitutes a code regulating its manufacture and sale as well as the collection of revenue. The Minister of Customs may license a person to carry on the business of a brewer and to sell, in quantities of not less than 2 gallons, beer, ale, or porter made at his brewery. This license is called a brewer's license. It is in force until the 31st December following its issue, and is renewable yearly upon payment of the supervision fees, which are payable to the Customs Department.

31. *Hop Beer.*—For the manufacture of hop beer a separate license is required, pursuant to section 73 of Part III of the Finance Act, 1915. Hop beer is defined to mean a fermented beverage containing hops or any extract thereof and containing not more than 3 per cent. of proof spirit. Any fermented beverage containing hops and containing more than 3 per cent. of proof spirit is deemed to be beer. The hop-beer license may be issued by a Collector of Customs for a fee of £1. It expires on the 31st December following its issue.

LICENSES FOR SALE

32. We refer now to licenses which authorize the *sale* of alcoholic liquor. Of these, we refer first to wholesale licenses, and to those licenses which permit wholesale dealing in the liquor which they cover.

Wholesale Licenses

33. *Wholesale Licenses.*—A wholesale license authorizes the holder to sell and deliver liquors from a place specified in the license, or from a bonded warehouse, in quantities of not less than 2 gallons, to be delivered to any one person at any one time, but not to be consumed in or upon the licensee's house or premises. It continues in force until the 30th June following its day of issue, and then expires. There is no