

272. Dominion Breweries had continued its policy of purchasing hotels and making advances upon them. In 1939 its investments on these purchases and advances stood at £495,766.

#### CHAPTER 12.—CONTROL OF PRICES, STRENGTH OF BEER, USE OF SUGAR, HOURS OF SALE, ETC., SINCE 1939

273. After war began in September, 1939, exceptional conditions arose in New Zealand. Particularly after June, 1942, there were many visiting servicemen, there was much overcrowding, and much unusual excitement. We think that our judgment of the normal conduct of the trade and of the people in relation to the trade should not be influenced by these exceptional conditions. Nevertheless, apart from these matters of conduct, the war brought certain restrictions upon the trade with consequences which still continue, and the present situation cannot be gauged without reference to them. We refer to—

- (1) The increases in the excise duties and the sales tax, and the bringing of the trade for the first time under a system of price control;
- (2) The reduction in the alcoholic strength of beer and the regulation of the amount of sugar to be used in brewing; and
- (3) The reduction in the hours of trading, the increase in the powers of regulation, and the relief from repairs.

#### INCREASES IN DUTY AND CONTROL OF PRICES

274. We state first the facts concerning the increases in duty and the control of prices. At a later stage we shall consider a submission by the New Zealand Alliance that price control was exercised in subservience to the interests of the trade.

275. We are informed by the Price Tribunal that, prior to the year 1939, a 14 oz. glass was available in most hotels in Auckland for 6d., and that 10 oz., 12 oz., and 14 oz. glasses were available in different hotels in Dunedin each for 6d.

276. On the 1st August, 1939, just before the commencement of the war, the excise duty on beer was increased by 6d. a gallon. We are informed by the Price Tribunal that at that time the prices for draught beer in the four main centres were as follows:—

In Auckland	..	..	..	..	6d. for a 12 oz. glass;
In Wellington	..	..	..	..	5d. for a 10 oz. glass;
In Christchurch	..	..	..	..	6d. for a 10 oz. glass; and
In Dunedin	..	..	..	..	6d. for a 12 oz. glass.

In a few hotels a container known as a "half handle" was used for the purpose of serving draught beer at a charge of 3d. or 4d. (R. 6945).

277. When the excise duty was increased on the 1st August, 1939, some hotelkeepers passed on this increase in duty to the public by way of increased prices. Others curtailed or eliminated the house shout, which was a free beer on the purchase of every three or four. This increase gave rise to many complaints and general dissatisfaction.

278. On the 5th August, 1939, the Price Investigation Tribunal, then acting under the Board of Trade (Price Investigation) Regulations 1939 (1939/62), had a conference with the president of the New Zealand Licensed Victuallers' Association, the president and the secretary of the Wellington Licensed Victuallers' Association, the secretary of the National Council of the Licensed Trade, the secretary of the Auckland Provincial Council, another representative of trade interests in Auckland (Mr. Usmar), and the national secretary of the Hotel Workers' Federation. No balance-sheets or profit and loss accounts of any breweries or hotelkeepers were available at this meeting. War was imminent at the time and it may be that there was some difficulty in obtaining them. A representative of the Price Tribunal (Mr. H. L. Wise) informed us that it