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1933-1940

1st ANNUAL REPORT

OF THE

ALCOHOLIC BEVERAGES  
CONTROL COMMISSION

FOR THE

YEAR ENDING NOVEMBER 30, 1933

GOVERNMENT DOCUMENT  
COLLECTION  
MAY 17 1939  
UNIVERSITY OF MASSACHUSETTS  
DEPOSITORY



# ALCOHOLIC BEVERAGES CONTROL COMMISSION

## ANNUAL REPORT

*To His Excellency the Governor, and to The General Court of The Commonwealth of Massachusetts.*

Sirs:

In accordance with the provisions of Section 44 of Chapter 6 of the General Laws, as appears in Section 2 of Chapter 120 of the Acts of 1933, as amended, we have the honor to submit the first annual report of the action of the Alcoholic Beverages Control Commission and of the conduct and condition of traffic in wines and malt beverages during the fiscal year ending November 30, 1933.

Immediately upon the approval of said Chapter 120 on April 7, 1933, which authorized and regulated the manufacture, transportation and sale of wines and malt beverages containing not more than three and two-tenths per cent of alcohol by weight, William P. Hayes of Springfield, William A. L. Bazeley of Uxbridge, and John P. Buckley of Boston were appointed as members of the Commission by His Excellency, Governor Joseph B. Ely. The Honorable Council suspended its rules and confirmed the appointments. The Governor designated William P. Hayes as Chairman of the Commission. On August 23, 1933, the Commission appointed William H. Hearn of Boston as Secretary. The Governor and Council forthwith approved the appointment under a suspension of the rules.

On October 5, 1933, Joseph F. O'Brien of Boston, an Investigator of the Department of Labor and Industries, was transferred to our service and appointed Supervising Investigator in anticipation of the appointment of investigators following the result of a Civil Service examination. An examination for such investigators was held by the Department of Civil Service and Registration on November 25, 1933, and 401 applicants passed the examination. The result of the examination was not made known until after the close of the fiscal year. In addition to the Secretary and the Supervising Investigator, this Commission had ten other permanent employees in its service at the end of the fiscal year.

The said Chapter 120 became commonly known as "The Control Act" and was recognized by such name by the Commission. It gave to local licensing authorities, that is, Boards of License Commissioners and Boards of Selectmen, the authority to issue retail licenses for the sale of wines and malt beverages to hotels, restaurants, clubs and so called "package stores". It reserved to the Commission the authority to grant licenses to manufacturers, wholesalers, foreign manufacturer's agents, general importers, railroad and steamship companies and transportation permits to all licensees and to their employees and to express companies and trucking concerns.

Within a few hours after their appointment on April 7, 1933, the members of the Commission entered upon the performance of their duties. Because of the lack of time in which to have prepared proper applications and license or permit blanks it was necessary in the beginning to issue temporary licenses and permits. All these licenses and permits were subsequently replaced by permanent licenses and permits which entailed a large amount of detailed office work.

Following is an analysis of the number and kinds of licenses and permits

issued by the Commission to the end of the fiscal year, together with the revenue received as fees therefor:

Licenses	Permits	Kinds	Fees
14		Manufacturers	\$18,000.00
198		Foreign manufacturers	
		Agents	77,500.00
259		Wholesalers	93,250.00
3		Railroads	750.00
10		Steamships	1,000.00
	317	Express companies and trucking concerns	7,975.00
	2540	Transportation for all licensees and employees	2,541.50
<hr/> 484	<hr/> 2857		<hr/> \$201,016.50

The foregoing figures include licenses issued by this Commission only. They do not include any revenue received by cities and towns for license fees paid for licenses issued to hotels, restaurants, clubs and package stores.

During the months of May to November, 1933, inclusive, the Department of Corporations and Taxation, Division of Excise Taxes, received the sum of \$408,989.04 for taxes on wines and malt beverages manufactured in, or imported into, the Commonwealth during that period.

During the fiscal year the Commission held several hundred hearings on various matters. Many of these were given to applicants for licenses, for the purpose of determining either their fitness or the suitability of their proposed licensed premises.

Thirty-eight applicants for retail licenses, who had been refused by their local licensing authorities, appealed to the Commission for reversal of the decisions on their applications. In fourteen of these appeals, the Commission ordered the local licensing authorities to issue licenses to the appellants. In twenty-four cases, their appeals were denied.

In two instances, twenty-five or more taxpayers took advantage of the provisions of Section 55 of said Chapter 120 and brought petitions to the Commission against the action of local licensing authorities in granting licenses. In one of these instances, the Commission upheld the action of the local board in granting a license, and in the other instance sustained the petitioners.

Many of these hearings were continued several times and also necessitated travel by the Commission to view the premises involved.

Upon information received through various channels, principally through complaints, it was found necessary in several cases to call certain licensees who were under its direct control, such as manufacturers, foreign manufacturers' agents, general importers and wholesalers, before the Commission, together with all books, documents, records, etc., which related to the conduct of their licensed businesses. Fifty-three hearings of this kind were held. It is, of course, impossible in a report of this kind to state their nature in complete detail. It is sufficient to state that the Commission had reason to believe that the licensees had indulged in some major or minor violations of the law or of the regulations of the Commission.

In some cases the Commission learned that wholesalers, contrary to the terms of their licenses under said Chapter 120, had been importing malt beverages into the Commonwealth, without paying taxes thereon. These licensees in all cases were dealt with summarily. They were compelled forthwith, under penalty of forfeiture of their licenses, to pay to the Commissioner of Corporations and Taxation all taxes which their books and invoices as well as other evidence, showed were due as a result of these importations. In addition they were required to pay additional license fees and obtain Foreign Manufacturers' Agency licenses which would entitle them to

import wines and malt beverages in the future. The Commission found it necessary to suspend three and to revoke three licenses.

Under the provisions of Resolve 47 of the Acts and Resolves of 1933, the General Court authorized the Commission to refund license fees to any of its licensees as Wholesalers or Foreign Manufacturers' Agents who had not done any business under the terms of their licenses. Several claims for such refunds were made. After hearing and thoroughly investigating each claim, refunds in the total sum of \$8,069 were ordered to be paid to thirty claimants. Two claimants were denied such refunds because they had exercised their licenses in part.

Under authority contained in Section 14 of said Chapter 120, the Commission made thirty-five regulations which were submitted to the Governor and Council, and approved by them on October 18, 1933. These were published in one issue of a paper of general circulation in each of the cities of Boston, New Bedford, Lowell, Worcester, Springfield and Pittsfield, as required by the Control Act. They were later printed in pamphlet form and copies were sent to all local licensing and police authorities, to all Clerks of the Superior Court and District and Municipal Courts, and to all licensees in the Commonwealth. They proved to be of great value to the Commission and the local authorities in the proper administration and enforcement of the law.

We are of the opinion that, in the main, the business of manufacturing, transporting and selling wines and malt beverages containing not more than three and two-tenths per cent of alcohol by weight was conducted in a proper manner by a very great majority of the licensees.

The Commission did not make any written recommendations to the Joint Special Recess Committee on Liquor Legislation which was appointed for the purpose of drafting and preparing legislation for the consideration and action of the Extra Session of the General Court, which convened on November 8 and adjourned on December 4, 1933. This Joint Special Recess Committee was created under an order adopted by the General Court on July 18, 1933, for the purpose of determining upon appropriate means of regulating and controlling the manufacture, transportation, importation, exportation and sale of intoxicating liquors in anticipation of the repeal of the Eighteenth Amendment to the Constitution of the United States. This Committee submitted its report, dated November 1, 1933, to His Excellency the Governor, who transmitted it to the Honorable Senate and House of Representatives. The Extra Session enacted Chapters 373, 374, 375, 376 and 377, which were approved between November 24 and December 4, 1933. The Commission was called in frequent consultation by the Joint Special Recess Committee, and by the Joint Committees on Legal Affairs and Ways and Means, during the various meetings of those Committees.

#### ALCOHOLIC BEVERAGES CONTROL COMMISSION

WILLIAM P. HAYES,  
*Chairman*

WILLIAM A. L. BAZELEY,  
*Commissioner*

Boston, Massachusetts.  
November 22, 1934.

JOHN P. BUCKLEY.  
*Commissioner*