

From:
Sent: 06 May 2013 11:40
To: Pubs Consultation Responses
Subject: Pubco Consultation

451.

I am writing on behalf of the Branch of the Campaign for Real Ale (CAMRA). We would strongly urge the Business Secretary to carry out the reform programme in full. It is vital that the measure is in the next Queen's speech.

I will content myself with a few points as I am sure you have many submissions to read that are in essence very similar. Rack renting has a dishonourable tradition going back to Peter Rachman. It is wholly unacceptable that pubcos who do not brew any of the products sold can act as parasites on successful pubs by raising both rents beyond the market rate and prices beyond that which pubs pay for beer in the free trade. Nowhere else on the high street are landlords able to get away with taking a share of the profit (if there is any) without making any significant contribution to the success of that business. The position of pubcos as opposed to breweries with tied houses is similar to that of landowners who charged a royalty on coal mined from under their land. Coal royalties were nationalised as long ago as 1930. Royalties were basically a tax on the poor. They can also be compared to the absentee landlords that plagued Ireland in the 19th century. This situation was rectified even earlier than that of coal royalties so action is overdue.

Furthermore it is unacceptable that many tenants effectively have an hourly rate of pay less than the minimum wage. Indeed there are a growing number of tenants claiming tax credits. This means that the taxpayer is subsidising the pubco. I am sure you will agree that this is not a proper use of tax revenue at any time, and certainly not in a period of austerity.

Chairman

Branch CAMRA

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