

24. The whole of it?—When I say the whole of it, I mean within a small margin of the whole of it. *Mr. Seed.*

25. Would you state the different articles on which the revenue derives a profit—articles used in distillation?—Sugar and molasses mainly. *27th July, 1874.*

26. Of course there is imported barley too, and imported beer?—There is not much imported beer.

27. Do you consider the colony has reaped any advantage from the introduction of colonial distillation?—I believe it has had the advantage of introducing a better class of barley in the Province of Otago.

28. There has been a large consumption of colonial produce—coal, for example?—It would be impossible to follow out all the collateral advantages.

29. The consumption of coal, for example?—There is a good deal of coal used for the steam engines at the Dunedin Distillery.

30. Do you consider it no advantage the keeping in the colony capital which otherwise must go out of it?—That is a question of free trade and protection. I do not think it advisable to pay more for coal raised in the colony, if you buy it cheaper elsewhere.

31. Is not the employment of labour another advantage?—The employment of labour is an advantage; but I presume the same labour would find profitable employment in other branches of industry.

32. Is it not a fact that the establishment of colonial distillation has materially curtailed, at all events, if not reduced altogether, illicit distillation?—It must have reduced it to some extent, but I think not to the extent some people are inclined to believe.

33. I think there is a report of last year, in which you state that it has had that effect?—It must obviously have had that effect, but not in any very sweeping degree.

34. Are you aware of this fact, that in consequence of inexperience in the business, and of repeated endeavours to utilize colonial timbers for vats, and so on, the New Zealand Distillery Company spoiled 22,000 gallons of spirits?—They did not lose it.

35. It had to be re-distilled?—I am aware that, from inexperience in the business, they were led to considerable expense.

36. I believe it led to a delay of eighteen months?—Not so long as that. There was delay in producing good spirits.

37. Is there any protection upon imported beer?—Yes, a heavy protection: 50s. per hogshead, 1s. per gallon.

38. Does not the revenue lose a great deal from this protection?—Yes.

39. Have you any idea how much?—I have not worked it out. I could not answer at the moment.

40. You do not know what the annual production of beer is throughout the colony?—No. There is no means of ascertaining that.

41. In point of fact, colonial beer contributes nothing to the revenue?—Only the duty on hops and imported malt.

42. I think it would be interesting if the Committee could ascertain what amount of beer is imported into the colony. Could you not arrive at an approximation of the gain to the revenue in the event of the brewing of beer being prohibited?—I could furnish an approximate return.

43. *Mr. Tolmie.* Are you aware what price the New Zealand Distillery Company are selling whisky at, duty paid? About 13s. 6d., I think.

44. Do you know the price of the imported article, duty paid?—No, I do not.

45. I know myself. There is a difference between the imported article and the colonial-distilled article of four shillings to the consumer. This gives about £12,000 a year, which goes into the hands of the publican and the general dealer. They are the men who derive the benefit.

46. *Mr. Macandrew.* I wish to know whether you have considered the effect which the proposed alteration will have upon the business of distillation?—I do not think it will seriously injure the distiller.

47. *The Chairman.* From the fact of their having their plant in proper working order now, would they not be better able, at the present time, to stand this duty, than they were at the commencement to stand a less duty? Yes; for if there was a good demand they would produce nearly double the quantity.

48. *Captain Kenny.* Reference has been made to the equal circumstances under which the two distilleries stand in regard to the justice of their claims. It appears to me that the application made by Cawkwell was subsequent to his having expended his capital in buildings and having invested the money. The New Zealand Distillery Company made application previous to their investment?—Yes; I believe such are the facts.

49. It was assumed by some of the gentlemen present that the circumstances of both distilleries were the same in the matter of compensation, and I see that Cawkwell applied for a license after he had secured buildings in Auckland; and then, when the Commissioner writes a warning upon the subject, Cawkwell replies, in his letter of the 27th, that he had had several interviews with the Inspector of Distilleries, and, although he fully stated his intentions, he received no warning or discouragement. The question is, was any action of the Inspector's or any want of warning supposed to be official?—By law, the distiller is required to make application to the Commissioner of Customs; and it might naturally be supposed that he would make the application before putting himself to any expense.

50. Are his acts supposed to be of a responsible character?—Yes; after the erection of the distillery, obviously they are.

51. Suppose that Cawkwell went to the Inspector stating that he was about to apply for a license and to invest money in the distillery; in the absence of any warning from the Sub-Inspector, was he not justified in assuming that there was no danger or risk being run by him?—I do not think he was justified in so assuming.