

*Mr. Heaps.*  
—  
28th July, 1874.

97. Perhaps the witness might give us this information subsequently. I look upon him as an expert, or one who has a thorough knowledge of all the ramifications of the business?—I am familiar with all the details of the manufacture.

98. What quantity of spirits is now in bond, do you reckon?—About 86,000 gallons, speaking from memory.

99. Has the Auckland Distillery been as great a success as the Dunedin Distillery?—I cannot say what the profits of either were. We have no access to their books.

100. *Mr. May.*] Do you know the difference between the prices of colonial and the imported spirits in bond?—That is out of my line altogether; but I have an idea that, taking them all round, imported spirits are about 5s. per gallon in bond.

101. I want to find out the difference in duty?—I think the price in bond of imported spirit is, on an average, about 5s. The bulk of it is brandy, and that distilled in New Zealand is sold at 7s.

102. Is good imported brandy not scarce at present?—I do not know.

103. *Mr. Macandrew.*] Did I understand you to say that the differential duty of 3s. would not be sufficient to yield a profit to the distiller?—I said that I should have to make a calculation before I could answer that.

104. *Mr. May.*] I suppose you are aware that the price of labour here is much greater than at home?—Yes.

105. And in some instances the distillers here have to pay double duty—that is, duty on the manufactured article and on the raw material—on molasses, for example?—Yes; 1d. in the pound, in which case there is an addition to the duty to the extent of 1s. 4d. a gallon.

106. That, of course, increases the price of rum?—Yes, about 1s. 4d. per gallon.

107. In reply to the Chairman, who remarked that 15 lbs. of molasses produced a gallon of spirits: I think the 15 lbs. would refer to the best kind of molasses?—Yes.

108. It would take more of the inferior sort?—Yes.

109. Are you aware that the colonial distillers have had difficulty in contending with the importers, because the latter have been in the habit of “running down” the colonial article?—I do not know that the importers had taken any steps to increase the prejudice; but I am aware that a prejudice does exist. I do not know that the prejudice was caused by the action of the importers.

110. Is it for want of age that colonial spirit does not find a readier sale?—No doubt it is.

111. *Mr. Bryce.*] You are acquainted with the details of the manufacture of spirits, you say. Now, are you acquainted with these in any other place than in New Zealand?—From personal observation, only in Victoria and New Zealand.

112. *Mr. Reid.*] Have you sufficient knowledge of the manufacture of spirits to be able to state what amount of differential duty would be required here to enable the producers to have a fair profit, taking into account the price of labour and capital?—I think I could make an estimate of it. I should require to be informed of the prices of labour, coal, &c. I know they have to pay at least twice as much here as at home for labour.

113. *Mr. Montgomery.*] You said there was a prejudice against the sale of colonial spirits. Do you know the cause of that prejudice?—I cannot name the cause, but it is a very common thing to hear the objection that colonial spirit is poison. In the early days of its manufacture, the same thing was said about colonial beer.

114. But what reason do they give that it is poison?—That is a very common remark.

115. Do you not know the cause, or alleged cause, of the prejudice?—I believe it is merely an impression. People simply say that they have an objection to it, but do not state the reason why they object.

116. *The Chairman.*] Have you never heard it stated that it contains a large quantity of fusil oil?—No.

117. *Mr. Montgomery.*] Have you never heard it said that the quality was bad?—Yes.

118. What do the consumers say respecting the quality?—Principally that it is too new.

119. You have said that the material and the method of manufacture were good. Can you speak with regard to the material used in England or Australia?—I spoke only of the material used in New Zealand. I compared it with the material used in the north of Scotland.

120. *Captain Kenny.*] I think you said, in reply to a question as to the amount of duty paid on molasses, that it was 1s. 4d. I notice that Mr. Cawkwell makes an assertion to the effect that all rum he sold paid duty amounting to 8s. per gallon?—That is evidently a miscalculation.

121. Do you believe it is accurate?—No.

122. There would be nothing in the circumstances of the Auckland Distillery Company which would justify such a statement as that you think?—It would depend upon the fermentation in a great measure. If the fermentation is bad, then the yield from the molasses is small. For instance, if the degrees of attenuation are only thirty where they should be forty, there is a difference of a quarter in the yield.

123. Am I to understand that you think it possible that, owing to a want of skill or proper appliances, this statement may be accurate?—It may be an approximation, but I think it is over-estimated.

124. *The Chairman.*] Can you tell me what kinds of spirits are being supplied by the distilleries at the present time?—Whisky, Geneva, spirits of wine, rum, and brandy.

125. Could you let the Committee know the quantities of rum and brandy?—I could not. They come under the common denomination of compound spirits in our accounts.

126. And there is no separate account of the quantity of each turned out?—No.

127. Do they compound at any store in Auckland?—Yes, on the distillery premises.

128. Can you say whether, if the present duty remains, there is likely to be any large increase in the manufacture of spirits?—I should imagine that there would be an increase.

129. What percentage of increase might take place during the present year?—It might be quite 100 per cent.