

*Mr. Cawkwell.* matter of the Crown Distillery, and could never be regarded as other than a friendly caution that the law might be altered. The idea was combated at the time, for we felt that such a warning was powerless to interfere with the provisions of an Act of Parliament, and was of no more value than a friendly intimation from a private citizen, beyond expressing the views of the Government of the day. In the Act of 1845, express provision was made that no compensation should be allowed if the Ordinance should be repealed; but we discovered no clause to that effect in the Act of 1868, while in all previous Acts a fixed rate of duty was imposed; but the Act of 1868 provided a sliding scale of one-half of that charged for the time being upon spirits imported into the colony. There were provisions made expressly at variance with previous Acts, and it can scarcely be denied that the conduct of the Legislature in dealing with the subject of distillation was calculated to create a belief that the law of 1868 was intended to be permanent. It was acting on this belief that I was induced to relinquish my former business at a sacrifice, in order to commence that of a distiller. A fixed rate of duty, or a clause similar to that in the Act of 1845, would have effectually deterred me from ever entertaining the idea. It must have been quite apparent to Parliament at the time, that if an allowance of one-half the duty were made, that allowance would certainly be lost to the revenue; and it was only this very liberal allowance which was the inducement to embark in a new and untried business, and to face an amount of opposition and prejudice unparalleled in the colony. The proposed increase of excise duty would effectually stop distillation in the colony; and therefore, as the present licensed distillers were tempted to embark their capital solely upon the inducements contained in the Act of 1868, the most unbiassed and impartial mind cannot but admit that the proposed increase of excise duty is inconsistent with good faith to those who have embarked in the business of distilling. The subject is fully considered in my pamphlet, to which I beg to draw attention. The next question is, Whether it would be expedient to altogether stop the distillation of spirits in the colony, and upon what terms such measure could be adopted? With regard to the first part of the question, it would, perhaps, be presumption on my part to offer an opinion, but I am quite confident that the closing of distilleries would give satisfaction to a very large section of the community, whose interests are greatly affected by it; and although I do not consider that the revenue has hitherto suffered, owing to the suppression of the illicit traffic, still there can be no doubt but that in a few years a very large portion of the import trade will also become absorbed and extinguished by the distilleries, when no doubt the revenue will suffer; and if it is contemplated at any time to close the distilleries, it could now be effected on better terms than possibly a few years hence. Had my suggestions been acted upon when my petition was presented to Parliament three years since (and which suggestions arose through the evident disfavour of the Government to distilleries), viz. to repeal the Act and accord equitable redress to those affected by it, many thousands of pounds would not have been further expended on the business; while, on the other hand, the whole of the lost revenue during those three years would have been saved. (This, of course, is admitting the statement of the Hon. the Premier, that the revenue is lost.) The sum so saved would have been more than ample to have allowed the distillers to withdraw from the undertaking without loss. On reference to my letter of 18th May, 1874 (A. 7, No. 16), it will be observed that in order to guide and assist the Government to a conclusion, I there made a definite offer, which, after careful calculation, I reduced to the smallest amount, believing that a fair and just demand would be more likely to be entertained. It must not, however, be inferred from this that I am anxious to relinquish the business; for, on the contrary, I should with confidence be only too glad to carry it on if assured against alteration of the law, but the harassing doubt of its ever-threatened destruction is so worrying, that I have no desire for a continuance of the troubles of the last four years. Nothing could compensate for the disappointment, the loss of business, and the mountain of obstacles which have been overcome in establishing this most exceptional undertaking. It has been remarked that the subject of compensation should not be entertained, for the reason that by the distillers' report they show that their business has hitherto been an unprofitable one; but to those who are more familiar with the subject, it is quite clear that the profits of a distiller in New Zealand are prospective—in fact, that he must be prepared to lose a large sum of money during the first few years that he is creating a trade, and anticipate his reward when that is thoroughly established. The establishment of the trade is now beyond doubt, and it would be unfair in the extreme to be summarily deprived of the just and legally-earned reward. Complying lawfully with every requirement of the Act, labouring under continual disadvantage, meeting opposition and obstruction at every turn, the distillers always felt that they would meet with justice at the hands of Parliament, whose Act alone had called the trade into existence. About the beginning of last year, finding an increased and increasing demand for goods, I contemplated increasing the stock to 100,000 gallons, but in order to do so it was necessary to make some alterations to the plant, involving an outlay of about £2,000. The greater portion of the plant was quite capable of producing this extra stock at the time, but additional stills, &c., were wanting. Before committing myself to this outlay, I inquired in my letter of 18th April, 1873, of the Hon. the Commissioner of Customs, whether I was justified in doing so; but the reply was so discouraging that I abandoned the idea, and therefore my stock is now unusually low, in consequence of the heavy and unexpected demand upon it. Had I had any definite assurance or guarantee, I should have now had a very large stock in bond. The allotment consists of over an acre of ground in the town of Auckland, and the accommodation of buildings is sufficient to conduct a much larger distilling business than will be required in New Zealand for many years; indeed, had any assurance been given us of the permanence of the present rate of duty, we should have now had a greatly improved plant, capable of turning out over 100,000 gallons per annum. It was stated in the House lately that only five men were employed in the distillery, but I handed in the names of nineteen hands whose names I remembered, to say nothing of many extra hands which we employ when extra work is required to be performed. In addition to this, we may state that we give indirect employment to many men for malting, as we always considered that malting was quite a separate and distinct business from that of distilling, and therefore have not commenced that branch, but have employed the professional maltsters instead. The apparent smallness of the capital employed is due to the strict economy, both in outlay and working, of the distillery, and with the contemplated additions there could not be a better or more efficient distillery. I must here draw attention to the