

193. When you wrote this letter, you felt that the warning ought to have been given to you by that officer, if any was required?—Yes. I should then have anticipated all the trouble and annoyance I have had since starting. *Mr. Cawkcwell.*
29th July, 1874.

194. *Mr. Macandrew.*] You expressed yourself strongly as to the loss the colony has sustained in connection with distillation. Now, assuming that the revenue loses 6s. per gallon on spirits produced in the colony, does this represent an equal loss to the colony to that extent?—I consider that one-half the duty which we pay would be lost to the colony, because it would be supplied by illicit distillation. Illicit distillation can only supply a limited amount of liquor, and if trade increases no doubt we should interfere with the imported article.

195. What is the average price of spirits in bond now?—Greenlees and Colville's whisky is now 6s. 6d. or 7s. in bond in Auckland.

196. What money is sent out of the country: does not that represent a loss to the country?—Yes.

197. What amount of profit or loss, if any, has arisen out of your undertaking up to the present time?—In my pamphlet I say that latterly the profit and loss account about balances. The loss was very heavy in establishing the business for the first two years, but we have pulled that up, and we are now about square.

198. I understand you to say that up to the present time your profit and loss account is fairly balanced: would you be prepared to submit your books to be examined with the view of verifying that statement?—Yes; I have already offered to do so.

199. You commenced business three and a half years ago, in December, 1870: how many years does it take you to overcome the difficulties incidental to the successful commencement of such a business?—We commenced in December, 1870. I consider the difficulties overcome now, if the rate of duty is allowed to remain as at present.

200. What would you consider a fair time over which the differential duty as at present fixed, if extended, would render the business profitable to the distiller?—I should say ten years from the date of starting; six years from the present time.

201. And at the end of ten years do you think you will be disposed to agree to the duty being equalized with the imported article?—I am scarcely prepared to answer that question, but I think that at the end of that time the profits might allow of an extra duty being paid.

202. *The Chairman.*] You say that the profit and loss account at present about balances. At the first, then, there was a heavy loss?—Yes.

203. Did you not in the first place commit a blunder in taking wrong premises; I mean those at Mechanics Bay?—I saw a brewery for sale, and I saw that it would be to our advantage to buy those premises and transfer our plant to them.

204. But had you not to pump up salt water for condensing purposes?—Yes; but it answered the purpose very well. It was not used for manufacturing.

205. Then you do not anticipate that you have lost anything in that way. Can you state what your loss has been in consequence of having started in one place and removing to another?—The only loss was the cost of removing, about £600 or £700. I do not include that in the profit and loss account. If I had done so, it would have been so much to the bad.

206. *Mr. May.*] The terms contained in "The Distillation Act, 1868," in clause 60, were they the cause of your embarking in the distillation business?—Yes. I would not have commenced had it not been for the inducement held out in the 60th clause.

207. What will be the effect if the duty as now proposed be levied?—To close up the establishment.

208. We have had some observations with regard to a letter of yours, in which you say you were paying 8s. a gallon duty on rum. According to the returns furnished to the Government, it would not take 24 lbs. of molasses to produce a gallon of rum?—I shall explain. There are four different kinds of molasses. Melado is the best, and then there are the first, second, and thirds. It takes about 15 lbs. of Melado to a gallon of spirits. The thirds has taken as much as 33 lbs. to a gallon of spirit, so that in making my statement I took the average quantity.

209. *The Chairman.*] When you used the thirds you paid 2s. 9d?—Yes, sometimes.

210. By the Return given in by the Distillery Department, taking the quantity of molasses and sugar that you have consumed in distilling, it will be 12 lbs. of sugar, 15 lbs. of molasses, and 10 gallons of beer?—There must be some inaccuracy.

211. *Mr. May.*] Are you aware what is the difference of the production of sugar and molasses?—I think sugar will give 1 gallon to 12 lbs. The "melado" is always difficult to obtain, and we are obliged to take the good with the bad.

212. What does the best of the molasses cost you, and what the worst?—I think the worst would cost about 1½d. duty paid—that is ¾d. per lb.: the best would cost about 1¼d., that would be about ½d. of difference.

213. You have several times alluded to the difficulties you had to encounter. Are you aware that there is a great difference between the prices of labour here and in England?—Yes; the first distiller I had was an Irishman, and he said that he only paid 1s. per day to his men in Ireland.

214. That would be lower than the usual wages paid in the United Kingdom?—Yes; but Ireland is a whisky-producing country.

215. Do you consider that if you paid a man here double the amount of wages he would receive in England you would be doing fairly?—Yes.

216. Has it not been difficult for you to obtain raw material in the shape of grain and malt?—Yes. Malt is imported, and sold in Auckland at 10s., and sometimes even 9s. a bushel; and I have paid that price for colonial malt.

217. *Mr. Reid.*] What is the price of barley in England?—I do not know.

218. *Mr. May.*] There has also been a great prejudice against your spirits; the importers have always run them down, have they not?—Yes.

219. You have found great difficulty in overcoming that prejudice?—Yes. I have often been told by importing firms that they would do anything for me personally, but that their interests were hostile to the distillery. Another of my difficulties was in keeping spirits to give them age.