

manufacture of tobacco, at which I have been working in various parts of this province for the last twelve years, and during that time have struggled against the most disheartening reverses, partly from popular prejudice against New-Zealand-grown tobacco, and partly from unsuitability of climate. I, however, finally settled down here in the Bay of Plenty, encouraged by the mild temperature; and have succeeded in raising a very superior crop of tobacco, which I had partly manufactured and arranged for the sale of, when the imposition of the tobacco duty put a stop to my proceedings, as I cannot possibly with my single-handed plant of machinery compete against the large American manufactories. I am consequently, at the very moment when the brightest prospects of success were opening up for me, thrown with my family into the deepest distress and ruin, with liabilities upon my shoulders which I incurred in all good faith upon the promising aspect of my local industry, and which have now involved me in moral as well as pecuniary ruin. I freely invite the fullest inquiries into the particulars of my case. If I might be permitted to make a suggestion, it would be to the effect that the duty upon local production should be 1s. on the pound of manufactured article, leaving the protection of 2s. 6d. against the imported article. The justice of this proposition will be explained by the fact of the great extra time and trouble required in this country for the production of a crop equal in quality to that which grows spontaneously in the States of America, combined with the absurd prejudice which exists, that home-made tobacco cannot be as good as imported, all of which tends to keep down the market value of the article. Trusting that you will kindly give these observations your careful consideration,

I have, &amp;c.,

EDWARD W. GOTCH.

## No. 37.

Mr. E. W. GOTCH to the Chairman of the Local Industries Commission.

SIR,—

Opotiki, 4th May, 1880.

In reply to your favour of the 28th ultimo, I beg herewith to submit to you an approximate statement or schedule of losses sustained by me in consequence of the levying of a duty upon New Zealand tobacco. Since the year 1865 I have cultivated 49 acres of tobacco, at an average cost of £20 per acre. In erecting sheds and apparatus for drying and curing the leaf I have expended about £450. The cost of my plant of machinery is £350. During the last ten years I have been working at a loss, which is now consummated by the heavy duty. I have about 2,688 lb. of raw material on hand, and a few pounds of manufactured, which I cannot now sell. I consider my total loss resulting from the suppression of the tobacco trade, which is practically the effect of the recent duty, to be,—

On cultivation of 49 acres, at £20 per acre ...	...	...	£980	0	0
On cost of erecting sheds, &c. ...	...	...	450	0	0
On value of machinery plant ...	...	...	350	0	0
On ten years' labour and loss of time (£250) ...	...	...	2,500	0	0
Total loss ...	...	...	£4,280	0	0

As I am now left in a state of absolute destitution, I earnestly hope that the Commission will, after satisfying themselves of the truth of my statement, see their way to make me some little compensation.

I have, &amp;c.,

E. W. GOTCH.

## No. 38.

Evidence of Mr. VOLLBRACHT before the Commissioners on Local Industry, at Wellington, 2nd June, 1880.

I AM one of a party who came from San Francisco about a year ago to manufacture tobacco. I laid particulars before Mr. Ballance, Commissioner of Customs; but, under the Act passed last session, there are no prospects of successfully carrying on the manufacture. The charge on our colonial tobacco is 3s. 6d. I find our tobacco is better than any other colonial tobacco; but still, we are not able, for the first two years, to make as good a quality as that we import from America. In five or six years I have no doubt we shall produce as good a leaf as the American; but at present the bonus of 6d. offered to our industry is insufficient. The colonial tobacco ought not to be taxed at more than 1s. per pound during the first few years. When the cultivation has been improved we shall be able to compete on even terms with the American tobacco. We contemplated establishing the industry on a large scale—sufficient to supply the whole colony; but under the Act we are quite prevented. It was on my recommendation that the Tobacco Act was passed; but I recommended that the duty on colonial tobacco should only be 1s. per pound, whereas under the Act it is 3s. 6d. per pound. It would suit as well if the bonus were raised from 6d. to 2s. 6d. My remarks apply only to the New-Zealand-grown leaf. We do not object to the 3s. 6d. duty on the imported leaf. As a manufacturer, I could give 1s. per pound for the leaf grown in New Zealand. The Chinese labourers in California get 30 to 40 dollars a month. In the Eastern States the white labourer gets 60 to 70 dollars. In the West the hours of labour are eight per diem; in the East they are nine. I believe that on the east coast of New Zealand they could get two crops a year for five or six years in succession. It will not do to have too rich soil. Labour here is 25 per cent. cheaper than through America. The leaf is bought in America from the grower at 1s. per pound. Every man who manufactures tobacco in the colony ought to have a license. In the Maori districts the law is not enforced. There ought to be no exceptions of this kind. We cannot make a profit on the manufacture of the imported leaf at a bonus of only 6d.; if the bonus were 1s., it would leave us a profit.