

1900.

NEW ZEALAND.

DUTY IN THE UNITED KINGDOM ON IMPORTED WINE.

(CORRESPONDENCE BETWEEN THE HIGH COMMISSIONER FOR CANADA, THE AGENTS-GENERAL FOR THE AUSTRALASIAN COLONIES AND THE SECRETARY OF STATE FOR THE COLONIES.)

No. 1.

Westminster Chambers, 13, Victoria Street, London, S.W.,

3rd May, 1899.

SIR,—

I beg to transmit a copy of joint letter which the High Commissioner for Canada and the Agents-General addressed to the Secretary of State for the Colonies, on the subject of the proposed increased duties on imported wines, and a copy of Mr. Chamberlain's reply.

I have, &c.,

The Right Hon. the Premier, Wellington.

W. P. REEVES.

Enclosure 1 in No. 1.

Office of the High Commissioner for Canada, 17, Victoria Street, London, S.W.,

26th April, 1899.

SIR,—

We have the honour to inform you that, in accordance with the suggestion you were good enough to make when Lord Strathcona saw you some days ago, we asked the Chancellor of the Exchequer to grant us an interview, and waited upon him yesterday, when we placed before him the views of the wine-producing colonies in reference to the proposed increase in the duties.

(2.) All the self-governing colonies were represented on the occasion, except Queensland and Tasmania. The Agents-General of these colonies were unavoidably absent from town, but they attended our preliminary meetings, and their names are appended to this letter.

(3.) While all the colonies are not directly concerned in the production of wine, they are all interested in the development of the trade of the outlying parts of the Empire with the Mother-country, and this feeling will serve to explain the interest the colonial Governments are evincing in the matter.

(4.) The Governments of the colonies especially and immediately concerned—New South Wales, Victoria, the Cape of Good Hope, and South Australia—regard with alarm the proposed increase in the wine duties, and have specially requested their representatives to place their views officially before Her Majesty's Government. Others of the colonies may sooner or later enter upon the wine industry, and are therefore much interested in the general question. Canada, for instance, manufactures annually a large quantity of wine, much of which is consumed locally at present; but the development of the export business is looked upon, however, as one of the probabilities of the near future in the Dominion.

(5.) Knowing as we do the great interest Her Majesty's Government has shown in the expansion of the colonies, and in the development of their resources, we feel that we may rely upon its sympathetic consideration of the facts we submitted to Sir Michael Hicks-Beach to illustrate the serious effect the increased wine duties will have upon a colonial industry which has attained its present position in the face of many difficulties, and whose very existence is, we believe, jeopardized by the proposals now before Parliament.

(6.) It may not perhaps be within your knowledge that, as compared with other countries, the British colonies in their wine industry labour under many serious disadvantages. They are much further away from the British markets; freights are three times higher; oak staves have to be imported from England, increasing the cost of the casks; large stocks have to be maintained owing to the distance from the sources of supply; and the wine, after the voyage, has to be stored for a longer time before use. Thus the capital invested cannot be turned over so rapidly as in the case of foreign wines. All these things naturally tend to add to the expense, and to reduce the profits of the industry, and we think they are deserving of careful consideration.

(7.) The cheaper foreign wines, with which colonial wines come into competition, are known under the names of the districts from which they come. In these wines there is a wide range of prices and qualities. They may be increased in price as the result of the duty, but it will still be possible for a purchaser to buy a somewhat similar article to that to which he has been accustomed