

No. 3.

SIR,—

Colonial Office, Downing Street, 6th May, 1899.

With reference to the joint letter from the High Commissioner for Canada and the Agents-General of the 26th ultimo, respecting the increase in the duty on wines imported into this country, I am directed by Mr. Secretary Chamberlain to transmit to you for your observations, and for communication to the Government of New Zealand, copy of a letter (4th May, 1899) from Messrs. Burgoyne and Co., who claim to be by far the largest importers of Australian wines, expressing their opinion that the increased duty will be beneficial rather than injurious to the trade in these wines.

I am, &c.,

The Agent-General for New Zealand.

H. BERTRAM COX.

Enclosure in No. 3.

LETTER FROM MESSRS. P. B. BURGOWNE AND CO., RELATING TO THE PROPOSED INCREASE OF WINE DUTIES AS AFFECTING AUSTRALIAN WINES.

5, Dowgate Hill, Cannon Street, London, E.C., 3rd May, 1899.

OBJECTIONS, on legislative grounds, have been raised in the Press by many important people against preferential duties for Australian wines. We trust, Sir, you will allow us through your columns to state our views.

We introduced Australian wines to the English public, and have annually during twenty-eight years paid more duty on such wines than all the rest of the trade together. Our views have been withheld, pending the decision of the Chancellor of the Exchequer, in deference to the wish of the trade expressed to our Mr. Burgoyne, who, presiding at a committee of its members, found himself in a minority. That committee has now been dissolved, and last night's debate in the House practically settles the question. The thanks of the wine-growing interests are, in our opinion, due to Sir Michael Hicks-Beach for not conceding preferential duties to Australian wines. Such preference would have ruined the industry; his decision has saved it. The Australian wine industry is no weakling that requires nursing; it needs no molly-coddling or leading strings. There is a force behind it which is fast raising it to the level of the foremost wine countries of the world. The competition they supply is invigorating and healthful, and the Australian wine-growers, amongst whom we are numbered, should compete, and are competing without favour, on equal terms with other countries and on the merits alone of their wines. The effect of the impost will be to raise a barrier to the importation of common wines generally, which have long been bringing the trade into disrepute. Now they will not be worth the duty. In the case of Australian wine the incidence of the tax will put distributors and growers alike on their mettle, and a still better article will be supplied, and the industry be advanced a step towards a higher standard. We do not think it will limit the consumption of Australian wines, but, on the contrary, judging by our own business, it appears to have given the trade an extraordinary impetus, in spite of the natural disturbance which a change of prices brings about. There has been no covering up or inclusion of the extra tax in the cost of Australian wine, so that the public know the change has not been made at the expense of quality. Consumers, after all, must bear the tax and the extras connected with it. Complaints are very few, and we are all settling down to the inevitable. Will any one tell us that preferential duties helped the Cape wines? Between 1853 and 1860, while the duty on wines from foreign countries was about 5s. 9d. a gallon, it was only about half the amount on wines from the Cape, and after 1860, when the duties were again altered, there was still a preference, though small, in their favour. Where are they now, or the business it was supposed to foster? Last year's imports from the Cape were under 7,000 gallons. The preferential rates, we are told by the largest importers of those days, opened the door to the rubbish which has brought about this result.

Therefore, Sir, we cordially approve of the decision of the Government in declining to concede preferential duties to Australian wines. Such favour would have been in the highest degree enervating and destructive.

P. B. BURGOWNE AND CO.

No. 4.

MY LORD,—

Colonial Office, Downing Street, S.W., 9th May, 1899.

I am directed by Mr. Secretary Chamberlain to acknowledge the receipt of the further letter of the 5th instant, signed by your Lordship and the Agents-General of the Australasian and South African Colonies, on the subject of the increase in the wine duties, and to state that he has caused a copy of it to be communicated to the Lords Commissioners of the Treasury for their consideration.

(2.) I am to observe, however, that, in stating that the colonial wine industry had grown up rapidly under the system of equal duties, Mr. Chamberlain was referring to the fact that the import of colonial wines into this country had grown from some 20,000 gallons in 1882 to some 720,000 gallons in 1897.

(3.) I am to add, in reference to the sixth paragraph of your letter, that it must be remembered that this country is also the principal market for colonial produce, and the figures given by you as to the imports of British produce into Australasia should be read with the figures of the exports of Australasian produce to the United Kingdom.

I am, &c.,

The High Commissioner for Canada.

H. BERTRAM COX.