

81. They would probably distribute their favours for the purpose of concealing the amount of trade they were doing?—Very likely.

82. This man offered you the formula?—Yes.

83. And you believe it has been sold to some one else now?—A man who was a farmer at the Hutt has bought this business, and he and his son are working it. I have no doubt they have paid a fine price for “goodwill,” and “goodwill” would carry the formulas with it.

84. *Mr. Duthie* (to *Mr. Glasgow*).] Do you know whether they altered the law in Australia?—I have been told they were not able to interfere in Australia, just as we are at present not able to interfere in New Zealand.

85. *Mr. Harding*.] The question was whether they altered the law?—I think not. I have not heard of any alteration. I should like to remind the Committee that we should interfere if we knew these people had a still on the premises.

JACQUES SCHLOSS, Partner in J. L. Lennard, examined. (No. 3.)

86. *The Chairman*.] Would you like to make a statement?—I do not know that I can make exactly a statement. I represent the distillery of the Colonial Sugar-refining Company in New Zealand, and, of course, I have, to a certain extent, to protect the interests of the company. The illegal use of methylated spirit is no doubt militating against the direct importers—in fact, some time ago *Mr. Glasgow* asked me whether I thought, in view of the increased importation of spirit within the last few years, that the spirit would be used for legal purposes. Well, since then the Customs have taken very stringent measures in connection with the manufacture of perfumes and essences—in fact, they have gone so far that in one or two instances they have rejected, or tried to reject, the Colonial Sugar Company’s spirit as not coming up to the test of the British Pharmacopœia, which, of course, we maintained it does, and we have since proved that it does. It is only natural the Customs should be very severe in connection with anything that is used for manufacturing purposes, so as to protect the revenue.

87. *Mr. Hardy*.] Do you know of any means by which methylated spirit could be dealt with in order to prevent what is now taking place, or is supposed to be?—I have been asked that question once or twice, and, knowing the chemical composition of methylated spirit, I can only say that the obnoxious smell may be covered, but you cannot free the spirit from either wood-naphtha or mineral naphtha, because the specific gravity of wood-naphtha is, practically speaking, the same as that of rectified spirit. Two bodies which are of the same specific gravity cannot be separated. You can cover the smell of the naphtha probably, but you cannot free the spirit.

88. Are you an analytical chemist yourself?—No, but I have a thorough practical knowledge of the trade.

89. Do you know of any means in any country?—No. I can cover the smell of naphtha to a certain extent, but the moment you add water the smell would be there again.

90. There is nothing else that you know of which could be used by the Customs here in order to prevent irregularities of the kind occurring?—Unless a law is passed to that effect, I do not see that the Customs can stop it.

91. If the Customs adopted some other means to prevent it—can you tell us what means they could take?—No, I do not think so. It is a very difficult thing to do, I should say.

92. Wood-naphtha, then, is the only thing that could be used?—It is the only thing to methylate with; but I think that the Customs should advocate the use of a certain percentage of pyridine (bone-naphtha or bone-oil). This is a most offensive-smelling product of the distillation of bones in the preparation of animal charcoal. The persistent and repulsive stench of this substance effectually precludes its industrial use among the naphthas. I think that would make the methylated spirit so very noxious that it could not be used for anything else.

93. Is there any other system adopted in Germany—do they use the same thing?—They are using wood-naphtha, and they have some other compounds for the methylating of spirit. I do not know what the other compounds are, for we are not permitted to use them.

94. You believe that a good deal of what you complain of is being done just now?—I do not believe it; I know it.

95. And in consequence of that there is probably a large loss to the State, and also an unfair advantage taken of the man who wishes to act honestly?—Most decidedly. I think there is another article that could be used for destroying methylated spirit to some extent, and that is creosote. The Customs in New South Wales some years ago permitted the use of creosote for methylating purposes pure and simple. If I recollect aright that was about sixteen or seventeen years ago.

96. That has evidently not been a success?—I do not know how long they used it. I know that when you use creosote in conjunction with wood-naphtha it makes a horrible smell. At present they are using oil of tar to discolour with.

97. *Sir W. R. Russell*.] You believe you know the firm that is rectifying great quantities of this methylated spirit?—I do not know they are rectifying it. I know they are covering the smell. I have seen some of the stuff. I taxed the man with it that it was methylated spirit; he nearly fied me out of his place.

98. Have you any objection to telling the Committee the name of the firm?—I have the same objection that *Mr. Wood* had.

99. That is to say, you are afraid——?—I am afraid of a legal action.

100. *The Chairman*.] What you say here is privileged?—I would much prefer to tell one of the gentlemen on the Committee.

101. *Sir W. R. Russell*.] You decline to inform us officially?—I should prefer not to do so.

102. Do you think there is any other gentleman or company in Wellington that could give us any information which might lead us on to the right track?—As far as manufacturing in bond is concerned, I do not think any one could give you better information than *Mr. Wood*.