

there is an evasion of the Act, but I think the Department could stop it in the way I mentioned just now. I think the stuff is uncustomed goods unless it has paid the duty that is set down for it.

157. Bay-rum and lavender-water are both largely sold in New Zealand?—Not largely; they are sold to an extent.

158. Have the sales increased lately?—I do not know that they have any more than usual.

159. Does your firm deal in these things?—Yes; but, perhaps, not so largely as Kempthorne, Prosser, and Co. and Sharlands.

160. Have you reason to believe that what is now supposed to be going on is acting unfavourably against the houses which are manufacturing in bond?—Undoubtedly it is. It is in our case. As a matter of fact, we have never done very much; we are only a young firm. If we were putting a lot of stuff through our bond we should find it acting against us.

161. As a witness, you are satisfied that something should be done to prevent what is now being done?—I think so. I think the Bill should go through. I think it is necessary to have such a law.

162. *Mr. Barber.*] You said you thought the methylated spirits, with which we are dealing now, having been tampered with, could be seized as uncustomed goods?—I should think so.

163. If the right article still remains, but something has been put into it, that would not make it proof spirit?—No; but it is being used as goods which should be excisable at a higher rate.

164. The detrimental product which is put in for the purpose of making methylated spirit still remains in it?—A portion of it.

165. We have been told that none of it is taken out—is it counteracted by another product?—It is not exactly taken out, but is converted into a different substance.

166. Do you think the fact of converting it into a different substance renders the spirit unfit for consumption?—You might drink methylated spirit as it stands if you did not object to the taste—in fact, the Kaffirs do drink methylated spirit.

167. The conversion does not make it into an article equal to absolute alcohol?—No, not equal to absolute alcohol. At the same time, it is an article that can be used for the same purpose as pure spirit.

168. *Mr. Laurensen.*] After subjecting methylated spirit to a cleaning process—supposing it is a cleaning process that these people have—could it be used for mixing with, say, whisky? If you put three or four gallons of it into a quarter-cask of whisky would it injure the whisky?—It perhaps would not be noticed—a small quantity like that—if it were cleaned properly. But, of course, these spirits that are cleaned here show chlorine pretty freely when tested for chlorine.

169. Have you any idea yourself whether any of this is used for adulterating purposes?—I do not think so. I have never dropped across any such case. I think all that it is used for here is perfumed spirit.

170. Then, these people who are getting the stuff at 6d. and 1s. a gallon duty come into competition with the man who is paying £1—?—With the man who is running a proper manufacturing bond, and paying excise on the proper articles. That is really our trouble. We have to face unfair competition.

THOMAS HOPPER HUSTWICK, Customs Analyst, examined. (No. 6.)

171. *The Acting-Chairman.*] Have you seen these three samples of methylated spirit that have been handed in?—I have.

172. Will you explain to the Committee how this [Sample handed to witness] becomes purified?—I cannot explain how this has become purified. I have no knowledge of it. I saw the sample for the first time yesterday. It has evidently been purified by some chemical means, because the strength of it is much below that of spirit usually, and on evaporation it leaves a certain residue, which I should like to have an opportunity of inquiring into.

173. You are employed in the Customs, you tell us?—Yes.

174. Your duty, I understand, is to examine spirits intended for consumption, and all that sort of thing?—Yes, spirits among other things.

175. Have you ever found methylated spirit used for adulteration purposes, to the loss of the revenue—keeping the revenue always in mind?—No, I cannot say that I have. I have known of instances where it has been used, but it has not come under my direct notice.

176. It is done—is it done to any extent?—I do not think so now.

177. Can you give the Committee any information as to how it was used for adulteration purposes?—I have every reason to believe that it was used in the manufacture of such things as cheap perfumery and cheap flavouring-essences.

178. You have known of instances where it has been used for flavouring-essences, have you?—Yes; but they have not come under my notice officially. My attention was drawn to them some three or four years ago.

179. Do you think that a publican in a back-blocks settlement, or out of the way of civilisation to a certain extent, could use that spirit in adulterating his spirits sold over the counter?—Yes, I think he could.

180. You have never really known it to be used in that way?—I have never known this spirit [Indicated] to be used at all for such purposes, but it is a spirit that could be used.

181. Is this more deleterious to a human being than ordinary spirit?—It depends a good deal upon what the residue that I have detected consists of. If it were pure spirit it would not be; but what this residue is I do not know. I have not had the means of ascertaining.

182. How long would it take you to find out what the residue really contains?—It would take some days to do it. I do not know whether another sample could be obtained.