

1905.
NEW ZEALAND.

EXTENSION OF COMMERCE COMMITTEE

(REPORT OF THE) ON THE METHYLATED SPIRITS BILL; TOGETHER WITH MINUTES OF EVIDENCE.

(MR. T. MACKENZIE, CHAIRMAN.)

Report brought up on Saturday, 28th October, and ordered to be printed.

ORDERS OF REFERENCE.

Extracts from the Journals of the House of Representatives.

WEDNESDAY, THE 28TH DAY OF JUNE, 1905.

Ordered, "That Standing Order No. 218 be suspended, and that a Committee be appointed consisting of nineteen members, to inquire into and report as to the best means of promoting the commerce of the colony and the sale of the colony's produce in markets other than those at present obtainable; the Committee to have power to call for persons and papers; three to be a quorum: the Committee to consist of Mr. Aitken, Mr. Barber, Mr. Bolland, Mr. Buchanan, Mr. Duthie, Mr. Field, Mr. Hanan, Mr. Harding, Mr. Hardy, Mr. Hogg, Mr. Houston, Mr. Laurensen, Mr. T. Mackenzie, Mr. McNab, Mr. Millar, Sir W. R. Russell, Mr. Rutherford, Mr. Witheford, and the mover."—(Hon. Sir J. G. WARD.)

THURSDAY, THE 19TH DAY OF OCTOBER, 1905.

Ordered, "That the Methylated Spirits Bill be referred to the Extension of Commerce Committee."—(Right Hon. R. J. SEDDON.)

REPORT.

THE Extension of Commerce Committee, to whom was referred the above-mentioned Bill, has the honour to report that the same has been carefully considered and evidence taken thereon; also, that the Committee is of opinion that, whilst the question will require the careful attention of the Customs Department, it has not been made clear that the passing of the Bill this session is a matter of urgency.

Regarding the point raised as to the spirits being used for adulterating articles for drinking purposes, the evidence does not disclose any such tendency.

Minutes of evidence taken in connection therewith attached, and same to be printed.

28th October, 1905.

THOS. MACKENZIE, Chairman.

MINUTES OF EVIDENCE.

WEDNESDAY, 25TH OCTOBER, 1905.

W. T. GLASGOW, Secretary for Customs, examined. (No. 1.)

1. *The Chairman.*] Will you make a statement, Mr. Glasgow?—Yes, Mr. Chairman. I may say, in the first place, that the principal provision in this Bill is the law in the United Kingdom. The Spirits Act of 1880, section 130, provides as follows: "If any person (a) prepares or attempts to prepare any methylated spirits for use as or for a beverage or as a mixture with a beverage; or (b) sells any methylated spirits, whether so prepared or not, as or for a beverage, or mixed with a beverage; or (c) uses any methylated spirits or any derivative thereof in the preparation of any

article capable of being used wholly or partially as a beverage, or internally as a medicine; or (d) sells or has in his possession any such article in the preparation of which methylated spirits or any derivative thereof has been used, he shall for each offence incur a fine of one hundred pounds."

2. *Sir W. R. Russell.*] What is the date of that Act?—1880. The reasons for introducing the Bill are as follow: Methylated spirit consists of spirit to which 11 per cent. of wood-naphtha and $\frac{3}{4}$ per cent. of mineral naphtha have been added so as to render the spirit undrinkable, but still of use for various manufacturing purposes. It has come to the knowledge of the Customs Department that methylated spirit is being purified so as to get rid of the nauseous taste and smell arising from naphtha, and that the spirit so purified is being used for making perfumed spirit, spirituous flavouring-essences, and tinctures and medicinal spirits. It may also be used for making beverages or for mixing with spirit used for human consumption. That last fact is one of the strongest reasons for the bringing-forward of the Bill. I will presently show the Committee a sample of the purified spirit, and I think it quite obvious that it could be used in up-country publichouses for mixing with whisky, and so on. The great inducement for doing this may be seen from the rates of duty leviable on methylated spirit as compared with other articles. On methylated spirit—that is, spirit mixed with naphtha under Customs supervision in New Zealand—the excise duty is 6d. per gallon. On methylated spirit imported the duty is 1s. per gallon. On perfumed spirit the excise duty is £1 per gallon, and the import duty £1 10s. per gallon.

3. What is "perfumed spirit"?—Lavender-water, eau-de-cologne, &c.

4. It is not the unmanufactured spirit?—No; just such things as lavender-water and eau-de-cologne, &c. You will observe that if persons can convert methylated spirit, on which 6d. a gallon duty has been paid, into perfumed spirit on which there is an excise duty of £1 a gallon, or an import duty of £1 10s., there is an immense inducement to go largely into the purifying of methylated spirit. Then, there are other articles, as, for instance, spirituous flavouring-essences. The excise duty on these is 12s. a gallon, and the import duty 16s. The Legislature has made provision for the making these articles with spirit in bond. Instead of paying duty fully on the spirit, a person can pay duty at 12s. a gallon on the spirit after it has been mixed with flavouring-essences in order to make spirituous flavouring-essences. But if any one can buy clean methylated spirit on which 6d. a gallon has been paid, you will observe that he will have an advantage of 11s. 6d. a gallon over the genuine manufacturer. On tinctures and medicinal spirits there is an excise duty of 9d. per pound, equal to 6s. 6d. a gallon, and an import duty of 1s. per pound, or 8s. per gallon. You will observe that here the inducement is somewhat less, but still very considerable. If any one can use "cleaned" methylated spirit on which 6d. a gallon has been paid he has a great advantage over makers of tinctures and medicinal spirits in bond, on which 6s. 6d. a gallon has to be paid. On ordinary spirit the import duty is 16s. per proof gallon. Here again, if clean methylated spirit is, as I submit is the case, usable for mixing with drinks which are consumed by men, there is a very great inducement indeed to enter into the business of cleaning methylated spirit—an advantage of a good deal more than 14s. 6d. a gallon, because methylated spirit is very strong. It is about 60 per cent. over proof, whereas ordinary drinking-spirit is, some of it, 16 per cent. under proof. I think I have put before the Committee the principal reasons for bringing forward this Bill. I have here samples of methylated spirit mineralised and non-mineralised [Produced]. This one [Produced] is spirit that has been methylated under Customs supervision. Even that might be used by persons of vitiated taste for drinking.

5. *Mr. Buchanan.*] What quantities are imported?—It is practically all methylated in New Zealand. There were 55,000 gallons methylated last year.

6. *Mr. Aitken.*] How does that compare with five years ago?—In 1899 there were 26,006 gallons methylated in bond, and in 1904 55,655 gallons. In 1899 there were 283 gallons imported, and in 1904 154 gallons. This spirit that I hold in my hand is used to a very large extent in making lacquers and varnishes. That is the genuine methylated spirit. I think some members of the House had the impression that the makers of varnish would be interfered with if the Bill were passed; but this is not so. They would not be interfered with at all. You will observe that section 4 says, "No person shall add to methylated spirit any substance or substances for the purpose of disguising the odour or taste thereof, or for rendering the same fit for use as a perfume, or beverage, or as a food for human use." But a person may add anything to methylated spirit, such as shellac, for the purpose of making varnish. There is nothing to hinder people doing that.

7. *Mr. Harding.*] What about the perfume-makers?—The Legislature has by the Acts of 1888 and 1895 provided for the making of spirituous articles, such as perfumes, perfumery, tinctures, medicinal spirits, and flavouring-essences, in bond, under an excise duty of about 25 per cent. below the import duty on those articles. Well, if persons can make perfumed spirit with this clean methylated spirit they are practically duty-free—the duty would only be 6d. a gallon.

8. To fractionate like that—to take out the other fractions, such as naphtha—there must be a great waste?—Well, of course, I do not know what the process is.

9. They would have to distil it?—I was under the impression for a long time that distillation was necessary, but I am told that this man—whoever he is—can do it without distillation.

10. *Mr. Duthie.*] Do you not know for a fact that he can?—If I thought he was using a still I should certainly get the Collector of Customs to search his premises. We have no information that he has a still on his premises, and until we have reasonable ground for supposing that he has I do not feel justified in searching.

11. *Sir W. R. Russell.*] Do you know the process of purification?—No, not with any certainty. I believe that filtration has a good deal to do with it, and that the spirit is treated with certain substances—chemicals.

12. *Mr. Aitken.*] How did the Department purify that sample that you have produced?—We did not purify it. I got that sample from a certain person, but I am not at liberty to mention whom. I got it as being genuinely an article offered for sale in Wellington.

13. *Sir W. R. Russell.*] Do you know the cost of purification?—No.

14. These three samples that you have produced of methylated, non-methylated, and purified spirit—are you certain they are average samples of the spirit that is being used in the perfumery trade?—I think there is some confusion there. You mentioned methylated, non-methylated, and refined spirit. That is not quite accurate. These two samples [Indicated] are methylated spirit mineralised and methylated spirit non-mineralised. The only difference between them is this: in the mineralised methylated spirit, in addition to the proper quantity of wood-naphtha, there is $\frac{3}{8}$ per cent. of mineral naphtha, which is a light mineral oil.

15. At any rate, you know they are fair average samples of what is being produced now in the colony?—This [Indicated] is an accurate sample of the spirit methylated in the colony under Customs supervision. I got Mr. Hustwick, our analyst, to prepare this. He took a sample of spirits of wine 60 per cent. over proof and added to it 11 per cent. of proof wood-naphtha; and in the case of this one [Indicated] he added in addition $\frac{3}{8}$ per cent. of mineral naphtha. So those are accurate samples.

16. You have dealt with one—the mineralised spirit. How do you know that the others which you have produced have been mineralised and——?—This one [Indicated] has not been mineralised. It is non-mineralised.

17. I thought you alluded to that as a sample that had been cleaned?—No. This one [Indicated] has been cleaned. This one [Indicated] has had 11 per cent. of wood-naphtha only added.

18. How do you know that the third sample has been mineralised?—I cannot vouch for it. It was given to me as a sample of cleaned methylated spirit, offered for sale as such.

19. You are quite certain that that is spirit that has been mineralised and subsequently cleaned?—Yes.

20. *Mr. Harding.*] Is any of this being sold in the open market in Wellington?—Oh, yes.

21. Similar to that sample?—Well, of course, I do not know, but I am told so. I have received information through the Customs officers that there is a company established in Wellington who are going into this business of cleaning methylated spirit.

22. What is the law now with regard to cleaning methylated spirit?—There is none; but if we knew they were using a still we could seize it.

23. *Sir W. R. Russell.*] With regard to the cleaned spirit, could not the Customs interfere with a person selling spirit that had not paid duty?—I am afraid not. If this is really methylated spirit which has been afterwards dealt with for the purpose of purifying it, it is not uncustomed spirit. The spirit has been duly entered and methylated in accordance with the law. There is nothing in the law to prevent any one from doing what he likes with that spirit after he gets delivery of it.

24. *Mr. Duthie.*] There is only a very nominal quantity—and a decreasing quantity—imported?—Look at the large quantity of spirit that is methylated in New Zealand—55,000 gallons of very strong spirit.

25. *Mr. Harding.*] Very strong remarks were made in the House on this Bill—that it was being introduced simply at the instance of two big firms in New Zealand—Kempthorne, Prosser, and Co. and Sharland and Co., I understand—to crush out some perfumery-makers who were starting an industry in the colony. What is your opinion on that point?—The bringing-in of this Bill has not been instigated by any firm. We have had no communication from any of the large manufacturing firms. The Department has introduced the Bill simply for the protection of the revenue.

26. Are there any perfumes being made?—Oh, yes. The quantity of tinctures and medicinal spirits made during 1904, in bond, amounted to 85,467 lb. I think there are about 8 lb. to the gallon. The amount of duty collected was £3,161.

27. When was that?—In 1904.

28. Can you give us the figures for 1900 and 1899?—I cannot just now. I have not got the statistics for those years.

29. *The Chairman.*] You cannot tell us the loss just now?—Not just now, but it could easily be calculated.

30. You might look up those figures, and let us have them?—Yes; I will give you all that information.

31. *Mr. Harding.*] I would like to know something more about these samples. Have you had any examination made of this clarified spirit?—Only to ascertain its specific gravity, in order to find out its strength.

32. How did it come out?—It is 48.3 per cent. over proof.

33. How does that compare with the other?—This [Indicated] will be 60 per cent. over proof.

34. There is a considerable difference there. I should say you could only make that difference by fractionating?—Very likely.

35. You have no evidence about that at all—it is only hearsay?—That is all. I am told it could be cleaned without a still.

36. I have seen a good deal of filtration-work, and I do not believe you could make so much difference without putting the spirit through a still?—I am inclined to think they would not venture to use a still. It would be too dangerous.

37. *Mr. Duthie.*] Could you not call the rectifier of this spirit that you have produced, as a witness, to explain how he did it?—I do not see why you should not.

38. You tell us that you do not know the means or the cost of rectification?—I would suggest that the Committee call some expert chemical analyst. I would not like before the Committee to identify any particular person or firm with this matter.

39. You are asking too much in asking us to pass legislation when the means of clarifying are not known, nor the cost of it, nor the individual. It is a somewhat extreme step to ask us to take. Something more definite should be known?—I think I have given you very significant figures in the difference in the duty. Surely the difference between 6d. a gallon and 16s. a gallon—taking the duty on ordinary spirit—is a very important matter. I ask the Committee to consider very carefully whether it is not probable that if this becomes a large trade—the purifying of methylated spirit, I mean—that spirit will be used for drinking purposes—for mixing with whisky. Surely nothing more need be said about it than that. The duty on the imported spirit is 16s. a liquid gallon. That would be about £1 5s. for the 60 per cent. over-proof spirit that is used for making methylated spirit.

40. *Mr. Aitken.*] That is, £1 5s. as against 6d.?—Yes.

41. *Mr. Laurensen.*] In the manufacture of perfumes, do they not require methylated spirit?—Oh, no. The Commissioner of Customs would not authorise any formula containing methylated spirits for perfumes. Besides, it is really not necessary, because they can get the pure spirit.

42. *The Chairman.*] I think that if you could supply us with the figures that have been referred to, and any other particulars that you may have, in a concise form, it would be better than continuing the process of examination just now. When could you let us have the figures?—This afternoon. I understand you want to know the quantity of perfumed spirit made in bond—in fact, all spirituous things made in bond—last year, as compared with five years before.

43. Also the probable loss of revenue, and any other remarks you have to make on the subject—a brief report on the matter, justifying the change in legislation that you ask for?—Yes, Mr. Chairman.

ROBERT ELLIS WOOD, Manager for Kempthorne, Prosser, and Co., Wellington, examined. (No. 2.)

44. *The Chairman.*] We shall be glad to hear what you have to say on the matter under consideration, also your opinion of this Bill, and anything you may wish to advance in justification of the measure?—I think it is a very important measure, in the interests of the public, the legitimate traders of the colony (I mean those who trade in spirits of wine), also in the interests of the revenue of the colony. My firm are large manufacturers in this colony, so also are Sharland and Co., and other firms here, and we all use large quantities of spirits of wine for manufacturing in bond, and on which we have to pay a very heavy duty when clearing from bond.

45. *Mr. Aitken.*] What duty?—It all depends. For instance, on culinary flavouring-essences, which are made with rectified spirits of wine, manufacturers have to pay 12s. a gallon duty; on perfumed spirits, £1 a gallon; on bay-rum, 12s. a gallon. Toilet preparations manufactured in New Zealand bonds (such as hair-restorers), on which an import duty of 25 per cent. *ad valorem* is imposed, come in, I think, at 6s. a gallon. In the last eighteen months we have had competition from a firm that have been buying large quantities of methylated spirit, and, we consider, using it improperly. They have been making flavouring-essences, bay-rum, lavender-water, and toilet preparations, and have only paid the methylated-spirit duty—that is, 6d. a gallon—as against our 12s. to £1, according to the class of goods made. Consequently it is quite impossible for us legitimate traders to compete against this kind of business. I should like to say, also, that methylated spirit is unwholesome and injurious to human beings. This firm are selling culinary flavouring-essences made with methylated spirit instead of with pure rectified spirits of wine. With regard to the loss of revenue to the colony, I think that in the months of July and August last the firm referred to had about 250 gallons—I am not quite sure of the exact quantity—of methylated spirit from us, the duty paid on which was only 6d. a gallon; and not an ounce of that, I am quite convinced, was used in the ordinary way of dealing with methylated spirit. So there would be a loss there to the Customs of considerably over £200—that is, on the two months' purchases from us alone.

46. *Mr. Duthie.*] Did you mention a name?—I am quite ready to do so if I am considered privileged.

47. The Customs are in ignorance?—They are not in ignorance. We have already informed them.

48. *Mr. Buchanan.*] With regard to the use of cleaned spirit, are you of opinion that much of it is used in that form for the adulteration of drinking-liquors?—I have no knowledge of anything of the sort. The question has never suggested itself to me.

49. The use of the cleaned spirit, then, as far as your knowledge goes, has been confined to the directions you indicated?—Yes—the manufacture of flavouring-essences, perfumery, bay-rum, and toilet articles.

50. Can you give the Committee any particulars, from your knowledge, of injury that would arise to people consuming food flavoured with these essences?—Only, from my knowledge, that methylated spirit is unwholesome. I might mention that when this firm started doing business in Wellington they approached me with an offer to sell a formula for taking the smell of naphtha out of methylated spirit. The sum asked was £100. The firm referred to have recently sold out their business here to a man who was farming at the Hutt. The late proprietors have placed their goods all over the colony, and are going away. They went through the same methods of dealing in Australia.

51. Do you mean to say it has never been suggested to you that cleaned methylated spirit was used in an improper way—to adulterate alcoholic drinks?—It has never been suggested to me, nor has it suggested itself to me.

52. *Mr. Laurensen.*] These people who purchase this methylated spirit from you—do they purify it?—They extract the smell of the naphtha by some process.

53. Does the extraction of that smell take from it the qualities that are injurious to human beings, do you know?—I do not know.

54. Is there any one you could name who could give special evidence on this matter?—I do not know of any one except the parties concerned in the conducting of the business referred to.

55. *Mr. Glasgow.*] Is the use of a still absolutely necessary in cleaning or purifying methylated spirit?—I have no knowledge at all of the process.

56. I was under the impression that it was, but recently I was told it was not?—Not as far as I know; but I really have no information about it.

57. *Sir W. R. Russell.*] Can you tell the Committee what loss there is in purifying the methylated spirit?—No. I should imagine there is practically none.

58. Are you an analytical chemist yourself?—No, I am not a chemist.

59. We have had it stated in evidence that there is a loss—it is reduced from 66 per cent. to 48 per cent.

Mr. Glasgow: Apparently the methylated spirit which is 60 per cent. over proof is reduced to 48 per cent.

60. *Sir W. R. Russell.*] Can you explain at all, Mr. Wood, how that loss is brought about, without the process of distillation?—Would that not be owing to the addition of naphtha, Mr. Glasgow?

Mr. Glasgow: No. The addition of 11 per cent. of naphtha would not bring it down that much.

Witness: Mr. Schloss might be able to enlighten you; I cannot.

61. *Sir W. R. Russell.*] You do not know the process?—No.

62. You say that purified spirit would be unwholesome?—Yes.

63. Why so? Why, if it be thoroughly purified, should it be more unwholesome than any other pure spirit?—I take it that it is only the smell they extract—not the naphtha itself.

64. You imagine that the naphtha still remains in—it is only deodorised?—So I understand.

65. I do not see the wisdom of a Committee doing business without knowing names. Will you be good enough to tell me the name of the firm that is, you think, improperly using methylated spirit?—I suppose I am not liable in any way if I mention the name?

The Chairman: You are privileged now, I imagine.

66. *Sir W. R. Russell.*] Can you give the Committee the name of the firm that you believe is improperly using methylated spirits? You can decline to answer if you think fit?—I think that under the circumstances—if I am not privileged—I had better decline to answer. The Customs know very well who it is.

67. Have you, from your experience in business, any knowledge whether there is any increase in the quantity of spirit that is being methylated annually?—I should think there is a large increase.

68. Do you attribute that increase at all to a knowledge of the process by which——?—To the improper use of methylated spirits, undoubtedly. We know that we cannot compete in such lines as I have mentioned, which are properly and legitimately manufactured by us, and on which we pay the New Zealand Government a large duty, while goods of the same class, but made with methylated spirit, are allowed to be placed upon the market.

69. You imagine that the naphtha is still left in the spirit?—I should imagine so—and the odour extracted.

70. Would it be possible to ascertain that to a certainty by analysis?—I should imagine so.

71. *Mr. Harding.*] You said just now that the firm that you referred to had gone through the same process over in Australia?—Yes.

72. What steps were taken over there? Were they prevented by the passing of a law?—I do not know whether a law was passed, but I know they defied the Customs. One of the partners in the business told me so himself. He told me of the enormous quantities of methylated spirit he was selling in Australia at £1 a gallon, the cost to him being about 2s. 6d. to 3s. Methylated spirit costs us, duty paid, about 2s. 4d. a gallon here, and rectified spirit costs us £1 8s. or £1 9s. duty paid. I understand that a statement was made in the House that this Bill would be injurious to the painters and varnish-makers of the colony. Well, I know leading painters in Wellington who are quite in favour of the Bill, and think it a most proper and important measure.

73. It was not so much varnish-makers as perfume-makers that were mentioned. The statement made in the House was that there were some small, struggling firms just starting to manufacture perfumes in the colony, and your firm and Sharland's were trying to crush these new firms out, and that that would be done if this Bill became law?—Not at all. The only firm I know of is the one that I have referred to.

74. Do they not manufacture perfumes?—Yes, but with methylated spirit.

75. *Mr. Duthie.*] Your firm manufactures methylated spirit?—We methylate. We import the spirit, and methylate under Customs supervision.

76. You pay 6d. a gallon upon that methylated spirit, and you pay higher duties upon rectified spirit for the different purposes of trade?—We pay on rectified spirit 16s. per proof gallon, which amounts to about £1 7s. a liquid gallon.

77. On perfumes you pay a lower rate?—We manufacture in bond, and we pay a duty of £1 a gallon *ex* bond, and £1 10s. a gallon on the imported article—that is, on the finished preparation.

78. You mentioned that this mysterious party bought 250 gallons from you?—In two months—in July and August, I think. That was from us alone. They were also buying from two or three other firms in Wellington.

79. There is only one other firm that manufactures?—No. There are Sharland's and the Young's Chemical Company, and Hayman and Co. also sell methylated spirit.

80. So that they may have bought large quantities from other firms?—Undoubtedly. I understand they were buying just as much from other people as from ourselves.

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*.

103. Do you think it would be of any use to send for the manager of the American Formula and Manufacturing Company?—If he appeared I think it would be a very good thing if he is prepared to disclose any of his trade secrets.

104. Do you think he knows as much about the subject as you do at present?—The man who has the concern at present does not, I think, know anything at all about it.

105. Who did the man that has it now purchase the secret from?—I know the man, and have known him for about twenty years. He used to be a cordial-maker in New South Wales. I know he has been in trouble once or twice, and has been carrying on this game in New South Wales for some considerable time.

106. *Mr. Barber.*] Do you think Young's Chemical Company should be examined?—I do not know. I do not suppose they could give you any more information than Mr. Wood did.

107. *Mr. Aitken.*] Is Mr. Owen, of Sharland's, an analytical chemist?—No. Mr. Bagley, at the Young's Company, is.

108. *Sir W. R. Russell.*] You think we should be specially wise to call on the American Formula and Manufacturing Company to give evidence?—I do not know anything at all about them.

109. Do you know if they deal in methylated spirits at all?—I do not know.

110. *Mr. Duthie.*] Can you tell us the perfume-manufacturers of Wellington?—There are only two here—the Young's Chemical Company and the firm in question.

111. Who are manufacturing perfumes?—Those are the two firms.

112. I want to buy some perfume?—I can tell you where you will get perfumes. If you go to Kirkcaldie's and buy a cheap bottle of lavender-water, I think you may see it.

113. Is there a name on it?—I do not think so. I understand Kirkcaldie's have bought a pretty large parcel.

114. *Sir W. R. Russell.*] Have the American Formula and Manufacturing Company purchased any quantity of spirits from you?—I do not sell to anybody except the wholesale dealers. I do no distributing business.

115. Are these people not wholesale dealers?—I do not know.

116. Do they manufacture perfumes, do you know?—I do not know anything about them.

117. Do you know who is the manager of the American Formula firm?—I know there is a firm of that name, but I suppose that if I did give the name of the manager there it would bring me within the four corners of the law.

118. *The Chairman.*] Oh, no. You can give any information here, and you are absolutely protected?—Well, I do not know whether it would be policy on my part to give you the name. Not that I do any business with them; I am not speaking from a business point of view.

119. *Sir W. R. Russell.*] Have they the same manager now that they had a few months ago?—No.

120. Is a gentleman who was at the Hutt in any way connected with the concern?—I do not know. The man I have seen there seems to be a very decent sort of man, but the man who formed the original business is not up to much. I think the man who has taken over the concern has been entirely misled.

121. Was he brought up to the business?—I do not know. From what these people tell me, they seem to have been in a sort of manufacturing business—making boot-polishes, and suchlike preparations.

122. You will not tell us the name of the manager of the American Formula Company?—I would not care to.

123. *Mr. Harding.*] You and Mr. Wood have placed yourselves before the Committee: you want the law amended?—It is for the protection of the public.

124. But you think the law should be amended?—I certainly think so.

125. We have heard your evidence. Do you not think, as a fair-minded man, that the other side of the question should be put before the Committee?—Certainly.

126. Then, whom do you recommend the Committee to call to put the other side of the question?—That I do not know. I understand that some of you gentlemen in the House have made statements that certain people object to this proposed legislation. Why not call those people?

127. Unfortunately, there are none of those members on this Committee?—They must be able to represent the other side.

128. It surely cannot do anybody any harm to come here and give evidence. You would be quite justified in suggesting that Mr. So-and-so——?—If you wish to get information, probably Mr. Bagley, of the Young Manufacturing Company, who is a thorough analytical chemist, would be able to tell you more about manufacturing-matters than I could.

129. Mr. Bagley would give evidence in favour of the Bill?—Yes.

130. We want some evidence now against the Bill?—I cannot mention anybody.

131. *The Chairman.*] You are not able to tell us what loss the revenue is likely to suffer?—A very considerable amount.

132. In thousands or hundreds?—That depends entirely upon the extent to which the people are carrying on the business.

133. Can you give us any idea?—No, unless I find out from the various wholesale houses. If this business is being extended, then the loss to the revenue will be very considerable. I understand they are selling their preparations at very low prices.

134. You could not give us any idea in figures?—It is hardly possible. If they have, as Mr. Wood stated, bought 250 gallons of methylated spirit from Kempthorne's in one month, and that in the winter-time, I should certainly say, taking that as a criterion, it would amount to £3,000 or £4,000 a year.

135. *Mr. Glasgow.*] Have you seen cleaned methylated spirit?—Yes.

136. Is this a fair sample [Sample handed to witness]?—I should certainly say it was an exceedingly fine sample. You can detect the mineral naphtha in this, but not the wood.

Mr. Glasgow: I should just like to mention one thing. Since this Bill was introduced a firm in Auckland have wired stating that they make perfumed spirit from uncleaned methylated spirit. That is this stuff [Indicated]; and, of course, if they are doing that, this Bill will interfere with them. I cannot imagine how they make perfume of that stuff at all; but they say they do.

137. *Mr. Duthie* (to *Mr. Glasgow*).] How is it that you have not had this clarified spirit analysed?—I have had it tried to ascertain its strength.

138. But as to whether there is naphtha in it or not. The suggestion is that the naphtha is deodorised?—I do not think it is possible, with that spirit, to tell whether there is any naphtha in it. Naphtha and ordinary alcohol, which form the wood-spirit, are of about the same specific gravity, and if you attempt to distil them they will not separate.

THURSDAY, 26TH OCTOBER, 1905.

HENRY JOYCE examined. (No. 4.)

1. *The Chairman.*] What is your occupation, Mr. Joyce?—I am a manufacturer of various articles—perfumery and other things.

2. We have a Bill referred to us dealing with methylated spirit, and we are anxious to get evidence on both sides of the question. Would you care to make a statement about the matter, or would you prefer to reply to questions that might be put to you?—I am not particular. You wish to know how the Bill would affect me?

3. Yes?—Briefly, the Bill would close me up. I should not consider it worth while spending my time any further in the business. I should simply lose £600. I do not consider it would be at all wise for me to handle methylated spirit under the drastic restrictions of the Bill. I have used methylated spirit for years in Australia, and many years in London, in a legitimate way. I consider that Bill would simply put me out of court altogether. I should not be safe. There are many purposes for which, in manufacturing, methylated spirits are used, and we may use them over and over again for various purposes, such as reducing things to liquid form or paste form, and purposes of that kind. After the spirit is once used it certainly will alter its status somewhat. Under the Bill, I understand, an officer could step in and say, "I have suspicions that this spirit is not exactly as it should be as methylated spirit," and he finds it to be so. It is so. The spirit is altered somewhat. Therefore I consider that if the Bill is passed I will give my business up.

4. *Mr. Barber.*] You do recover the methylated spirit after it has been used—have you a still?—Oh, no. Supposing, now, we will say, you want to liquify something, or partly liquify it; you immerse it in methylated spirit, and decant the spirit off.

5. You just let it settle, and pour off the clear stuff?—Yes.

6. That would not rectify it?—I would not rectify it at all. I do not rectify spirit. There has been a lot of talk about it, but, as far as I know, it has not been done. It has not been done by me. I may say that I make perfumery, and use more or less methylated spirit in connection with it, but it is by no means detrimental. I do just the same as I have done in England and Australia. I was for a long time in London using it. Take soap-making, for instance. I make toilet-soap. There is methylated spirit used in connection with that, to make it properly.

7. Do you rectify spirit by distillation—do you get methylated spirit and practically convert it into alcohol by distillation?—No. I have not a still of any kind or any apparatus for the purpose. I use the spirit in a legitimate way, as I have done in England for years. There are innumerable articles, almost, that methylated spirit is used in connection with the making-up of. I make all sorts of polishes and varnishes.

8. Would the Bill prevent your using methylated spirit for purposes of that kind?—Supposing, as I say, I use the spirit, and in that way it is altered somewhat. I decant it off, and it is somewhat changed. I have added a certain thing, and it shows a certain methylation in it, and probably a part of that may be taken off. I decant that spirit off. It is a fair and proper thing that I should use it over and over again. But an officer may step in and say, "I find this is not purely methylated spirit. You have been tampering with it." Of course, I have; I have been using it. As I read the Bill, I should be mulct in a very serious penalty for having that in my possession. The whole thing would be confiscated—plant and everything else. So I would not go on one day after the Act was passed. That is my feeling about it. I have spent my lifetime using methylated spirit chiefly.

9. *Mr. Duthie.*] There is no way of continuing your manufacture of these perfumes without affecting the revenue?—I do not know that it affects the revenue any more than it would in England or anywhere else where we have used the spirit. As nearly as I can say, speaking roughly, in about twelve months there has been about seven hundred pounds' worth of perfumery turned over.

10. In New Zealand?—Here. Well, I do not suppose there would be more than seventy pounds' or eighty pounds' worth of spirit used in that.

11. As it becomes known, the sale might be very much greater than what you mention now?—I think not, under the present conditions, because the duty is not sufficient. All small parcels of perfumery are cheaper imported than made here, because the quantity is so small. Say, 2- and 3-dram bottles: the contents practically cost a trifle; it is the vehicle that makes the difference.

12. Your spirits, before you use them, are simply deodorised?—They are simply methylated spirit.

13. But the smell is taken off?—That must be so of necessity.

14. And they are then used to produce perfumery, for which others would require spirits on which a substantial duty is paid?—I suppose all do the same thing. Our prices, at any rate, are pretty much on a level—they are about equal.

15. But your profits may be very different?—No; they are rather small.

16. If you use a thing that costs 6d. a gallon in duty, as against a thing that pays 16s. a gallon duty, there is considerably more profit?—As a matter of fact, I have come to this conclusion, that my prices will have to go up. I cannot continue on the present basis, even supposing there is no alteration made in the law. I have not got anything beyond a fair business profit—in fact, not quite that.

17. The basis of your manufacture is methylated spirit deodorised, or rectified, or whatever you may term it?—No, not rectified. I simply kill one thing with the other. We have been doing that all over the world; it is the same everywhere.

18. *Mr. Glasgow.*] You say that you have to deal with the methylated spirit in some way before you can use it for making perfumes?—Yes, a little.

19. Have you any objection to stating to the Committee exactly what you do? You say you do not distil?—No, not in the slightest degree.

20. Have you any objection? Is there not a formula for doing it?—No. There has been a lot of talk about it, I know; but there is none. I simply overcome one thing with another.

21. Is it the case that you purchased the formula from another person?—In a kind of a way, yes. I purchased the business, really. There was supposed to be a formula. I know that that person made a lot of talk about his ability to do certain things, which amounts to nothing.

22. Will you kindly state what you do?—I would rather not, because in a certain kind of way it is a trade secret. But I tell you this: it is simply overcoming one influence with another.

23. By those words I understand you to mean that the smell and taste of the naphtha are overcome by the addition of the essential oils of which the perfume is made?—Yes, the smell, not the taste.

24. Is there not something done with the methylated spirit before the essential oils are added for the making of perfumery?—Yes, there is something done—yes and no. We treat it in a certain way. The component parts have to be put together in a certain way.

25. The component parts of what?—The essences and various things. There are a number of different oils, and so on, which enter into the composition of any of these perfumes.

26. But you have just said that you have to overcome the taste and smell of the naphtha in the methylated spirit by the addition of essential oils?—Yes, on the same principle as that by which I would overcome the bitterness of tea with sugar and milk.

27. I think you have already admitted that you do something to the spirit before adding the essential oils for making perfumery, but you decline to state the formula or the operation—there is an operation?—The whole thing, of course, in a way, is a trade secret. Different persons have different methods of manufacturing.

Mr. Glasgow: I think, Mr. Chairman, the fact has been elicited that the spirit is treated in some way for the purpose of divesting it of its nauseous taste and smell before the perfumery is made. That is the whole point that I wish to establish.

28. *Mr. Duthie.*] Could you make it clearer to the Committee as to whether, by the process you submit the spirit to, it is thereby rendered palatable or fit for use for drinking purposes?—Most emphatically I say that methylated spirit should never be used for that purpose. I should be very sorry to entertain such an idea in my mind.

29. But do you bring it into such a condition that people could use it for an adulterant?—No, nothing of the kind. We do not do it. I am prepared to say that I consider any one who would do such a thing ought to be liable to five years. I would not object to anything of that kind in the Bill.

30. There is nothing in your process that in any way alters the character of the spirit so that it could be taken or used as an adulterant?—None whatever. We do not take anything out of it at all.

31. *Mr. Glasgow.*] Except the taste and smell?—Well, we overcome the smell. We do not take anything out of the spirit; we add to it.

32. *Mr. Duthie.*] Wood-naphtha is a component part of methylated spirit, and that is not removed at all?—No; I do not attempt to remove it. We add the necessary ingredients to the spirit. As for taste, we do not think of it; it is the odour. The smell is entirely changed; I grant that. The peculiar smell of the naphtha is completely disguised, I consider. It is overcome by the essential oils.

33. Do you make that alteration to such an extent that men might use this spirit as an adulterant?—It never passes out of our hands except as perfumery. We do not pass any spirits out of our hands neat.

34. It is not what you do exactly, but what could be done by means of this process. By this process could some more-evil-minded man than you so make use of the spirit?—I suppose any one could if he wished to do so.

(At this stage Mr. Aitken took the chair, Mr. Mackenzie having to leave the room.)

35. *The Acting-Chairman.*] Mr. Duthie's question is this: Could not an hotelkeeper apply the same process that you apply, and add the spirit to a certain quantity of whisky?—No, I think not. I should say he could not, as far as I know, and I know a good deal about it. I have been for many years now engaged in connection with methylated spirits. I have no idea that it could be done. Well, a person might take it and drink it as scent. That is the only thing. As far as I know, a person could not take the taste and smell out of the methylated spirit sufficiently without—well, some very elaborate process of redistillation.

36. *Mr. Duthie.*] More elaborate than you know of?—Not exactly than I know of, but more elaborate than I consider practicable. I suppose it would be illegal to work a proper still.

37. You would require a still to do that?—I think so.

38. *Mr. Laurenson.*] Supposing the Bill were passed, could you not under Customs supervision have your spirit to enable you to manufacture perfumery the same as you do now?—No; for reasons that I have mentioned.

39. What are the reasons?—There are purposes for which I use the spirit, and I use it over and over again. In so doing it becomes changed, and, as I understand this Bill, I am liable for having spirits in my possession that show a weakness in methylation. That is as I read the Bill.

40. *Mr. Laurenson* (to *Mr. Glasgow*).] Under the Customs regulations have you any power to arrange for people to manufacture under Customs supervision?—Yes. The Customs law allows the Commissioner to appoint approved premises where articles which have spirit as a necessary ingredient can be made. Perfumed spirit is one of those articles, but any perfumed spirit made in one of those bonds is liable to an excise duty of £1 per gallon, as against £1 10s. on imported perfumed spirit. Now, if *Mr. Joyce* makes perfumed spirit from, as I apprehend, cleaned methylated spirit, he only pays 6d. a gallon duty; whereas if he had a manufacturing bond and made perfumed spirit in a legitimate way, he would have to pay £1 a gallon.

Witness: It is a curious thing that others can sell at about the same price in the market.

41. *The Acting-Chairman.*] You mean there are competitors of yours who sell perfumes at the same price that you sell them at?—Yes.

42. But do they not use the same process that you do?—I do not know.

43. *Mr. Barber.*] Your argument is that they are carrying out the same process as you are—they are using methylated spirits for the same purpose?—I do not know.

44. The trend of your argument is in that direction. If they can sell the goods at the same price as you, you think they must get the raw material at the same price?—Yes, I suppose so. I do not know.

Mr. Glasgow: I might mention something that will throw a little light on that point. Since this Bill has been brought forward a firm in Auckland have stated that they make perfumed spirit from methylated spirit which has not been dealt with in any way—ordinary methylated spirit.

45. *The Acting-Chairman.*] Could *Mr. Joyce* claim the same thing—would you call this that you use ordinary methylated spirit, *Mr. Joyce*?—Yes, certainly.

46. *Mr. Glasgow.*] I think *Mr. Joyce* has admitted that by some process the methylated spirit is deprived of its smell, and is therefore rendered more or less into a state suitable for human consumption?—No, I do not admit that—emphatically no.

47. *Mr. Laurenson.*] You manufacture flavouring-essences, *Mr. Joyce*, do you not?—No.

48. Is any of the stuff that you manufacture consumed by human beings?—None whatever.

49. It is only perfumes?—Only perfumes, toilet-soap, polishes, and various things like that.

50. *Mr. Hardy.*] You are a manufacturer?—Yes.

51. Do you use much methylated spirit?—No.

52. What is the quantity you would use in, say, a month?—It might be, probably, 40 to 50 gallons—more or less.

53. It is used in the manufacture of perfumes, I think you said?—Yes, and various other things.

54. And for soaps?—Yes.

55. It is used in order to give a certain strength which is required in perfumes?—Yes.

56. Would it not suit you to manufacture your perfumes in bond in the way that other houses do?—Well, no. The cost would be too much. If I were in a large way of business it would be all right; but I am only working in a small way.

57. I suppose there is a considerable saving effected by the introduction of this new method of dealing with the spirit?—Not very much that I am aware of.

58. There is really not much saving?—No; only a very little.

59. How much duty do you pay on the spirit now?—We pay 2s. 8d. a gallon for it, methylated; we buy it at 2s. 8d.

60. In bond?—No; delivered.

61. Supposing that you had not this new process, what would you pay for proper spirit in order to manufacture your perfumes?—I do not know.

62. What is the price of the ordinary spirit that is used in the manufacture of perfumery?—I do not know. I have just heard it is about £1 or £1 10s.

63. That is the duty?—I suppose the value would be added to that.

64. (To *Mr. Glasgow*) You say the duty is 6d. a gallon on methylated spirit, *Mr. Glasgow*?—Sixpence a gallon if methylated in New Zealand; it is 1s. if imported.

65. (To *Witness*) The excise duty on perfumed spirit is £1, so your new process enables you to save 19s. 6d. a gallon?—No, it is not, so—unless the others are not doing the same.

66. We are not on a heresy hunt—we do not want to persecute you; we want to do what is right to everybody. Do you not think your new process means a considerable saving?—Not in comparison. I can only judge by the prices the other manufacturers are selling at.

67. If you save 19s. 6d. a gallon by using this new process, is not that a considerable saving?—Yes, if it is saved; but, as far as I know, it is not.

68. Supposing you were buying the ordinary spirit, would you not have to pay £1 a gallon duty?—Yes.

69. And you know very well you are only paying 6d. a gallon if it is methylated in New Zealand, or 1s. a gallon if imported?—There is that difference, no doubt.

70. So you are really at an advantage of 19s. 6d. a gallon as against the man who is manufacturing these perfumes in bond in New Zealand?—That probably is so, if there are any doing such a thing.

71. If there are any people manufacturing in bond?—Yes.

72. (To Mr. Glasgow) Are there any, Mr. Glasgow?—There is very little perfumed spirit made in bond; but there is a large quantity of tinctures and essences made in bond.

73. *The Acting-Chairman* (to Mr. Glasgow).] I suppose there is a good deal of perfumed spirit imported?—Yes. I have laid on the table some statistics on the matter.

74. *Mr. Hardy* (to Mr. Joyce).] You think there is nothing much in the proposal that is contained in this Bill?—It is the operation of it—it is the difficulties it places in the way that I complain about—in the way of using spirit.

75. Would the restrictions that would be placed upon you by this Bill injure your business?—Yes, they would close it up at once.

76. Do you think that the using of spirit as you are doing now is injuring the businesses of other people who are paying the £1 a gallon duty?—No, I do not think so.

77. Are you not in a position to sell your material at 19s. 6d. a gallon cheaper than the others, less the cost of filtration?—I cannot say; but it does not appear like it, because we are selling at about the same prices on the market; in fact, the others are selling goods at lower prices than I am.

78. Do you think the others are doing what you are doing?—I do not know; I should think so.

79. You think they must be doing it, or they could not be selling at the same price?—Exactly.

80. You think, then, that the case is really more serious than we would believe?—I do not consider it serious at all, in view of what I have been doing in England and Australia.

81. Do you think the duty on perfumes should be removed?—No, I should think not.

82. You think the duty should be kept on, in order to permit you to use this material, and by that means compete against men who pay the duty?—Small bottles of perfumery can be imported now cheaper than they can be made here, as far as I know.

83. Notwithstanding your improved method?—Notwithstanding it.

84. *Mr. Barber* (to Mr. Glasgow).] You said there was a quantity of essences made in bond. Do they use absolute alcohol for that purpose?—It just depends. They must be made in accordance with the formula in our recognised Pharmacopœia. And for different articles the strength of the spirit differs. Sometimes it is proof spirit, sometimes it is over 60 per cent. of spirit; it varies.

85. What I mean is this: the argument is used that this manufacturer is converting methylated spirit practically into alcohol?—Yes.

86. Do they use alcohol or methylated spirit as a basis?—Oh, alcohol.

87. Pure alcohol?—Yes.

88. *Mr. Millar* (to Mr. Joyce).] After you have cleared the methylated spirit, is that spirit in such a form that it could be used for any liquid?—No.

89. Are you a chemist?—Not strictly speaking.

90. Have you had much experience in the business?—Yes.

91. Do you know of any method, or have you ever heard of any method, whereby the taste can be taken out of methylated spirit?—I would not be quite sure about it. Redistillation might.

92. Have you ever heard of any method whereby it can be?—No.

93. I suppose there would be a fortune for any man who could discover a means whereby the taste of wood-naphtha could be taken out of methylated spirit, absolutely?—Yes, if he could work it.

94. Is the taste of the wood-naphtha taken out of the spirit that you treat, to such an extent that the spirit could be drunk?—No.

95. Look at this sample of spirit [Handed to witness]. Would your spirit be like that after you had cleared it?—No, I do not think it would be as clear as that.

96. The principal thing that that treated spirit is used for now is cheap perfumes, is it not?—Yes.

97. And bay-rum?—Yes.

98. And varnish?—Varnish, polishes, and soapmaking, for that matter.

99. That is the only way in which it comes into conflict at all with the imported article?—Yes.

100. Lavender-water is the principal thing that is being manufactured in the colony out of it?—I do not admit the term "cleaned methylated spirit," because we do not clean it. As I say, I overcome one thing with another.

101. I do not know what your process is, but I know a process which has been in vogue for years and years?—That is a fact; it is so.

102. Your experience in England is that treated methylated spirits is used for perfumes?—Yes, as far as I know.

103. It is used in England?—Yes.

104. So the cheap imported perfumery coming here would still have that as its body?—Yes.

GEORGE BAGLEY examined. (No. 5.)

105. *The Acting-Chairman*.] What are you?—I am a manufacturing chemist, employed at T. and W. Young's establishment—Youngs' chemical works.

106. Do you use methylated spirit in your manufactures?—We use it in some manufactures, such as varnishes and that sort of thing; but it is a very small item with us. We methylate the pure spirit.

107. Do you recognise this as methylated spirit [Sample handed to witness]?—Yes, by the smell I recognise it as methylated spirit.

108. Do you find methylated spirit interfering with any of your manufactures?—Yes, we do, with one or two things.

109. Will you please tell the Committee in what way it interferes with your business as manufacturing chemists?—We have found recently that the use of methylated spirit has been abused in the colony. Methylated spirit is intended only for use in such of the arts as we get duty-free spirit for, or, rather, spirit which is dutiable at only a small rate. Sixpence a gallon is the duty. But it has been used recently, as we know, for the manufacture of perfumed spirits, principally, which should have been a good big line with us. We have a manufacturing bond, and we turn out articles such as perfumed spirits, pharmaceutical tinctures, and, in fact, all spirit preparations where we get a rebate on the spirit-duty.

110. Can you tell the Committee if it has interfered with your business, and, if so, to what extent?—It is hard to say to what extent, but it has interfered in this way, that the sale of certain lines in perfumed spirit has practically gone off during the last six or eight months. We manufacture all perfumed spirits in bond, and where we used to put through considerable quantities, we have put through barely any recently. These lines are all excisable at the rate of 12s. and £1 a gallon.

111. It is only in perfumed spirit that you have met with the competition?—That is so. Of course, we know the reason for it.

112. *Mr. Duthie.*] I think we might get from this gentleman information as to what this sample consists of [Sample handed to witness]?—It is hard to say, without an analysis. That spirit has been cleaned.

113. *The Acting-Chairman.*] Could that spirit be used in adulteration of whisky or other drinking-spirits?—No. It could be used for perfumery, though.

114. *Mr. Duthie.*] That is admitted; but the point is whether the naphtha has been removed, and it could be used as an adulterant to spirits?—I have analysed all spirits that have been turned out for these purposes, and by analysis you can detect the naphtha, though you cannot smell it. The spirit might be sold as very crude rum if it were spiced. But I should not care to drink it.

115. You do not think, then, that it would be so frequently used as an adulterant as to affect the revenue?—Oh, yes, it could be used to such an extent as to very largely affect the revenue.

116. As an adulterant for spirits?—Not as an adulterant, but as a substitute for spirits of wine.

117. You would convert it into rum?—Not at all. They might object to the taste of it as rum. As far as I can make out, the trouble is this with regard to methylated spirit: At the present time methylated spirit pays 6d. a gallon duty. Very well. All other spirit lines pay from 9d. a pound when manufactured or denatured under bond, and when not denatured 16s. a proof gallon. That 16s. a proof gallon corresponds to about £1 7s., or £1 7s. 6d. per liquid gallon on the strength of the spirit that would be methylated. Suppose we were going to clear a hog-head of spirits of wine out of our bond. We should pay excise duty of £80 or £90 a cask of about 60 gallons, as spirits of wine. If we methylated that cask we should only pay 6d. a liquid gallon. We should pay at the rate of 16s. a proof gallon on the one, and at the rate of 6d. a liquid gallon the other, which is a vast difference. Then, again, if we were to denature that spirit with perfumed oil we should pay at the rate of £1 a liquid gallon on it. If we converted it into culinary essences we should pay 12s. a gallon. If we made it into pharmaceutical tinctures or medicinal preparations of any kind we should pay 9d. a pound on the manufactured article, not reckoning any strength of spirit.

118. The point I want made clear is this: We have had it stated in evidence that there is no naphtha removed from that methylated spirit, and that statement is not contradicted?—No, the naphtha is not removed from it. The nauseousness is removed from it.

119. Could that liquid in that state be converted into spirit that could be used for human consumption?—Certainly. Wood-naphtha itself is not poisonous.

120. It is not palatable?—It is not palatable, only when perfectly pure—when purified. Wood-naphtha is methyl alcohol—i.e., wood-spirit—and it has the same intoxicating effect as ethyl alcohol. If the spirit is pure, then, of course, it has no nauseating effect at all. It would perhaps kill a man sooner than ethyl alcohol, but it would not have a more exciting effect on him, if taken in small doses. If the impurity is left in it, then it is very nauseous.

121. What I want to know is whether there is a risk of the revenue suffering by any process of conversion, short of distillation, of this spirit into liquor for human consumption?—Undoubtedly, there is a risk. All spirit that smells or tastes clean enough for such uses as the making of perfumed spirit might also be converted into liqueurs—some of the more highly spiced ones, in which you could hide the taste or smell.

122. Can you tell us whether, for an ordinary hotelkeeper, the spirit could be used as an adulterant?—I have myself seen, in the colonies, and known of methylated spirits being sold as rum—in some of the old shanties in the South Island.

123. You have known it to be sold for rum in the South Island?—To be spiced up, mixed with a little fair rum; and sold like that.

124. Do you think it is ever likely to come into general use?—I do not think so. It is not a thing you would care to tackle.

125. There is not much danger, then, of the revenue suffering?—Undoubtedly, there is. If it got into the hands of unscrupulous persons, who would not mind what they sold, the revenue would suffer, because it could be used for perfumed or other spirits.

126. I am speaking about human consumption of the spirit?—It could be consumed.

127. It would poison men off in a limited time?—I do not think it would poison them off exactly, unless they soaked themselves in it. I think it might then.

128. *The Acting-Chairman.*] It would shorten their lives?—Yes, perhaps it would act in that way a little quicker than the ordinary spirits that are sold.

129. *Mr. Millar.*] As a chemist, have you ever heard or known of any process whereby the taste of wood-naphtha can be taken out of methylated spirit?—Yes, there is a process, but it requires distillation.

130. It is such an expensive process that it would not pay?—It would be against the present law to make use of it, because the present law will not allow of spirit-distillation.

131. Assuming that it could be made commercial, is there no other country where it would have been adopted?—Oh yes. It is used in Germany at the present time. They use it—*i.e.*, denatured—in the colour industry. They denature their alcohol, and I think they are allowed—I am speaking from memory—under certain conditions to purify the once-used methylated spirit. They are allowed to denature the spirit there in a great many ways, according to the industry for which they intend the spirit to be used. For instance, in the dye industry they denature with colours.

132. Do you not think there is a fortune in front of the man who can find out a cheap way of distilling methylated spirit so as to make it absolutely free from all taste?—Yes, undoubtedly, if the law would allow him to do it.

133. The law does allow people in certain countries, does it not?—Not to abuse it in that way. If in Germany the law did allow a man to distil methylated spirit, or denature it in any way, they would stop him from making use of it as spirits of wine. He must use any re-rectified spirit for the same purposes again. It is only in his own industry that he is allowed to use it. Such a process is always under a proper Excise officer's control.

134. I suppose that, as a chemist, you know how this methylated spirit can be cleaned in the way it is done at the present time?—Yes.

135. It is no secret process?—It is not generally known.

136. You would be surprised, then, if I showed you it stated in the *Scientific American* of six years ago?—No, because I know it has appeared in one or two scientific journals.

137. You know the whole process—it is simply to pass chlorine gas through the methylated spirit?—That will do it to an extent, but there is another process.

138. That is the common process that is known to almost all chemists?—Yes.

139. Then, there is another process whereby the chlorine gas is taken out?—That is so.

140. So that you or any other individual could, if you liked, clear the methylated spirit and manufacture the cheap perfumes that you say are being manufactured by these people?—Yes, if the law allowed us to, but I do not think the law does allow us.

141. The law must allow it, as it is being done now?—I myself think it is debatable. In the first place, we were given methylated spirit to use as methylated spirit, and not to use as uncustomed goods. I should say that any spirit at present in the colony, such as cleaned spirit, is uncustomed goods, and liable to seizure. It has not paid the proper duty. The law says, "You must pay at the rate of 16s. a gallon on all spirits of wine other than spirits of wine which have been methylated or denatured in some other way," and under that law alone I think that any person carrying on such a process would be liable to have to forfeit his goods as uncustomed goods. I think that was fought out on the Continent and in Great Britain. It went from one Court to another, and it was at last decided by the Privy Council that the point was not debatable at all.

142. What is the duty on the cheap perfumes imported now?—£1 10s. a liquid gallon.

143. Are they imported in bottles?—In any way, I believe.

144. (To Mr. Glasgow) Is that the duty, Mr. Glasgow?—Yes, on spirituous perfumes.

145. (To witness) I suppose the bulk of the cheap perfumes—those that you find sold by drapers—and all that sort of thing, are being imported now?—I could not say.

146. Would it do any harm to the colony to embark on an industry that would cut out that importation?—Only to the revenue.

147. The first thing to be considered is, is it to be the revenue or the encouragement of industry in the colony: which, in your opinion, is the more essential?—Such a process as this, I think, should be condemned. If it is intended to allow manufacturers to embark on an industry such as that, the thing ought to be put on a sound footing, so that people could distil perfumery in the way they can in any other country.

148. Supposing that we allowed the Bill to go through as it is at the present time, but struck the word "perfume" out, would there be any harm done, when the people were protected against the manufacture of this stuff for adulteration?—I think so. You cannot get a fairly decent article out of that. It would be only a very common kind of perfume.

149. As a matter of fact, it is only lavender-water and bay-rum that are made out of it?—Yes, I believe so.

150. Then, you mean to say that the manufacture of those two things under this process is going to seriously injure your business?—Yes, I think so.

151. Were you one of those who approached the Customs Department and advised them of this matter?—No, I do not think so. We approached the Customs Department and asked them what the law was on the subject.

152. Were you one of those who went and inquired about it?—We inquired what the law was on the matter.

153. Did you give any information as to this?—No; no definite information.

154. *Mr. Hardy.*] Supposing you thought, as a colonist, that some one was evading the law, would you not think it your duty, whether you were interested or not, to inform the constituted authority?—Certainly; in fact, I think it is an evasion of the tariff, and is not right.

155. You do not think it would be derogatory to any man's honour to tell if any one was doing wrong?—No, certainly not, if I thought it was wrong.

156. Do you think that at the present time there is an evasion of the Act?—I do not think

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.

183. (To Mr. Glasgow) Do you know, Mr. Glasgow?—I really do not know. I was thinking it would be well to ask Mr. Joyce to give us a sample of the spirit that he uses before the essential oils are added, but I thought it might be asking too much.

184. *Mr. Duthie* (to Mr. Hustwick).] In the rectifying of methylated spirit it is supposed the naphtha is removed, but they tell us that the naphtha is not removed from this rectified spirit that we have here?—This spirit that I hold in my hand?

185. Yes?—It has been destroyed in some way or other, or else its presence would be manifest.

186. What do you mean by “destroyed”?—Decomposed by some chemicals that they use.

187. They say that the naphtha is there, but that it is simply deodorised by some ingredient which they put in. A witness illustrated the process by saying it was similar to adding sugar to tea. So far as the smell of the naphtha is concerned it is destroyed, but not the naphtha itself?—That may be. I cannot say for certain, because I am in ignorance of the process that has been used.

188. Then, you have no knowledge of this spirit that has been treated?—I have no knowledge of it. I never saw a sample of it till yesterday. I know it has been done, but I do not know how.

189. There is no evidence from the Customs, you being their witness, as to the condition of that liquid that you have there—you offer no evidence as to how far that liquid has been altered?

190. *The Acting-Chairman*.] That is, as to the destruction of the naphtha?—I know it has been altered so that it could be used where before the alteration it could not be used.

191. *Mr. Duthie*.] In what way could it be used now that it could not be used in before?—It could be used now for a variety of purposes, such as making perfumery and flavouring-essences, and it could be used by dishonest publicans for mixing with their genuine liquors.

192. You have not analysed it at all yourself?—No, I have not had an opportunity.

193. *Mr. Millar*.] You said that this could be used by publicans for mixing with their liquors, and for making cheap essences?—Yes.

194. Have you tasted it?—Oh, yes.

195. Do you mean to say that the wood-naphtha in that would not be detected in any spirit you liked to put it in?—It could not be detected by taste or smell.

196. Not by taste?—No, I am sure.

197. Have you as a chemist ever heard of any known commercial processes whereby the taste of wood-naphtha could be taken out of methylated spirit?—Oh, yes. That was done years ago in England until the law stopped it.

198. It could be done commercially?—Yes.

199. Do you know of any place where it is done now?—No.

200. Would you be surprised if I showed you an extract from one of the scientific magazines stating that there is a fortune awaiting the man who can take the taste out of methylated spirit?—Yes, I should be rather surprised.

201. Well, I can. You say you do not know this process?—I do not know this individual process.

202. Do you know any process for clearing methylated spirit?—Yes; I know the process that was used in England years ago.

203. I suppose you know that chlorine gas will clear it?—No.

204. Do you know that the *Scientific American* published that statement six years ago?—No.

205. Well, it did?—Yes.

206. Would you with your knowledge as a chemist say that if a gallon of this [Sample indicated] were put into a hogshead of rum the wood-naphtha would not be tasted?—It could not be tasted; I am quite sure.

207. Do you know the only thing done to that spirit [Indicated] is to take away the smell of the mineral naphtha?—I know that is done, but how it is done I do not pretend to say at the present time.

208. One method of doing it was shown in the *Scientific American*: by the passing of chlorine gas through methylated spirit the smell of the mineral naphtha is killed; and by another process the chlorine gas is extracted from the spirit?—Yes. I have not seen that.

209. You say this [Sample indicated] could be used for flavouring-essences?—Yes.

210. What sort of flavouring would kill the taste of the wood-naphtha?—The presumption is that the wood-naphtha has been practically destroyed in that.

211. But the presumption is absolutely wrong. You will find by the taste of it that the wood-naphtha has not been destroyed. The taste of it is there, and is just as strong as it is in the other sample?—I have tasted the two. To me there is a great difference in the taste.

212. You know the ordinary bottles of essence that are sold for domestic purposes?—Yes.

213. Assuming that they were made entirely of that spirit that you have there, what quantity of flavouring-essence would be required to kill the taste of the naphtha in that?—About 1 part to 10, 12, or 15 parts.

214. Will you try that as an experiment, and let us taste the essence afterwards?—I can do that with the quantity that is left in this bottle that I hold in my hand. It is a weak spirit. I do not think it will make a presentable essence until it has stood for some time.

215. You think it might thicken by standing?—It would gradually clear on standing, I expect, judging by the strength of the spirit.

216. You think the amount of flavour would be the same in that spirit as in the ordinary spirit used for essences?—Yes, I think so—that is, I think a flavouring-essence could be made from this spirit [Indicated] alone.

217. That is what I mean—that spirit alone, with the addition of the ordinary essences that are put in?—There would be no evidence of naphtha to the taste or smell.

218. Will you try that experiment and let us see the result of it?—Certainly.

219. *Mr. Glasgow.*] You remember samples that we had in the Head Office of flavouring-essences in which the taste of methylated spirit was quite perceptible?—Yes, I think I do.

220. They were in little bottles, put up for sale?—Yes.

221. And they were evidently made not with purified methylated spirit, but with ordinary methylated spirit, because the smell of methylated spirit was quite perceptible?—Yes, I remember that.

222. Of course, the flavouring-essence is used in very small quantities—I mean for manufacturing or domestic purposes. For instance, essence of lemon would only be used a few drops at a time; so that the presence of methylated spirit would really not be very injurious?—No, it would not be injurious in that quantity.

Mr. Glasgow: I may state to the Committee that as a matter of fact I submitted these samples of flavouring-essences to the Government Analyst, and he could not say they were injurious to health.

223. *Mr. Millar* (to *Mr. Glasgow*).] According to what you say, we have essences now being adulterated with uncleaned methylated spirit?—Yes.

224. If the word “perfume” were struck out of the Bill where it says “or for rendering the same fit for use as a perfume, or beverage, or as a food for human use,” that would get over the point that you have raised?—Flavouring-essence made with uncleaned methylated spirit would be restricted under the Bill, it being a food for human consumption.

225. *The Acting-Chairman* (to *Mr. Hustwick*).] It is understood that you will make some flavouring-essence with this material [Sample of spirit indicated], and submit it to the Committee?—Yes.

APPENDIX

SIR,—

Department of Trade and Customs, Wellington, 25th October, 1905.

In addition to the information furnished by me this morning with reference to the provisions of the Imperial “Spirits Act, 1880,” section 130, I beg to submit extract from copy of an official memorandum explanatory of the Revenue Bill introduced into the Imperial Parliament in July last: “Now that the use of methylated spirits for industrial purposes is to be facilitated, it is very necessary to have proper safeguards for preventing purification of industrial spirit, and to prevent its being used for any other purpose. Under these circumstances it becomes necessary to strengthen section 130 of ‘The Spirits Act, 1880,’ and to provide not only against the preparation of these methylated spirits as a beverage, but also against any attempt to purify them. It must be remembered that industrial methylated spirits will not be so efficiently denatured under the new law as they were under the old law.” A copy of the Bill referred to in the above memorandum has not been received.

While the Imperial “Spirits Act, 1880,” may not be clear as to whether it would be illegal to add essential oils to methylated spirit for the purpose of making perfumery, I think it is clear that in the Bill which has been introduced this year the purifying of methylated spirit will be penal.

I also submit copy of section 133 of “The Spirits Act, 1880” (Imperial), as follows: “Any liquid containing methylic alcohol* so purified or otherwise prepared by filtration or any other process as to be free wholly or partially from any flavour or odour which would otherwise pertain to it, shall be deemed to be low wines, and to have been prepared for the purpose of distilling spirits therefrom, and shall be chargeable with duty and otherwise subject to the regulations to which spirits are subject under Part I. of this Act.” I may explain that the “Part I.” referred to in the above section bears on the production of spirit by distillation from fermented materials, and the term “low wines” is applied to impure spirits produced during this process. The operation could only be conducted under supervision, and the spirit is liable to an excise duty of 11s. per gallon. It is therefore illegal to purify methylated spirit except in a distillery under Government supervision.

With reference to estimated loss of revenue, I find it difficult to state anything definite, but I submit the following for consideration: One firm, the New Zealand Drug Company, supplied 250 gallons of methylated spirit in three months—equal to, say, 1,000 gallons a year—the duty on which would be £25. This would supplant 1,000 gallons of perfumed spirit made in bond at £1 = £1,000—loss of revenue, £975; or, 1,000 gallons of imported perfumed spirit at £1 10s. = £1,500—loss of revenue, £1,475. This is assuming that the methylated spirit is only supplied by one firm, the only supply I have cognisance of. If the same process were to go on at the other ports of New Zealand, and if a demand arises for cleaned spirit for use in mixing with spirituous beverages, it is quite clear that the prospects of loss of revenue are very serious.

I attach hereto statistics relating to importation and manufacture in bond of perfumed spirit, medicinal tinctures, &c.

I have, &c.,

W. T. GLASGOW,

Secretary and Inspector.

The Chairman, Extension of Commerce Committee, Wellington.

* Wood-naphtha.

RETURN showing the QUANTITY of PERFUMED SPIRITS IMPORTED during the Years 1899 to 1904, showing each Year separately, and also the Quantity manufactured in Bond during the Same Period.

Year.					Imported.	Duty (£1 10s. per gallon).			Manufactured in Bond.
					Gallons.	£	s.	d.	Gallons.
1899	...	...	...	...	1,577	2,365	10	0	Nil
1900	...	...	...	...	1,545	2,317	10	0	"
1901	...	...	...	...	1,239	1,858	10	0	"
1902	...	...	...	...	1,325	1,987	10	0	5
1903	...	...	...	...	1,656	2,484	0	0	Nil
1904	...	...	...	...	1,968	2,952	0	0	"
Totals					9,310	13,965	0	0	5

W. T. GLASGOW,

Secretary and Inspector.

Department of Trade and Customs, Wellington, 25th October, 1905.

RETURN showing the QUANTITY of PHARMACOPŒIA TINCTURES, &c., manufactured in Bond during the Years 1899 to 1904, and the Duty collected thereon.

Year.					Pounds.	Gallons (about).	Duty.		
Containing over 50 per cent. Proof Spirit.									
1899	...	...	...	..	49,745	5,527	£	s.	d.
1900	...	...	...	...	40,577	4,508	1,865	8	11
1901	...	...	...	...	53,501	5,944	1,521	12	11
1902	...	...	...	...	59,951	6,661	2,006	5	7
1903	...	...	...	...	90,138	10,015	2,248	3	7
1904	...	...	...	...	83,688	9,299	3,380	3	5
Totals					377,600	41,954	3,138	6	2

Containing under 50 per cent. Proof Spirit.

1899	...	...	...	...	800	84	10	0	1
1900	...	...	...	...	2,161	227	27	0	5
1901	...	...	...	...	1,545	163	19	6	2
1902	...	...	...	...	1,352	142	16	17	11
1903	...	...	...	...	1,449	153	18	2	4
1904	...	...	...	...	1,818	191	22	14	6
Totals					9,125	960	114	1	5

W. T. GLASGOW,

Secretary and Inspector.

Department of Trade and Customs, Wellington, 25th October, 1905.

CULINARY and FLAVOURING ESSENCES manufactured in Bond from 1899 to 1904.

						Gallons.	Duty.		
							£	s.	d.
1899	...	...	...	...	...	248	148	18	4
1900	...	...	...	...	...	149	89	11	7
1901	...	...	...	...	...	288	172	19	0
1902	...	...	...	...	...	305	182	18	10
1903	...	...	...	...	...	269	161	12	2
1904	...	...	...	...	...	469	281	10	8
Totals						1,728	£1,037	10	7

TOILET PREPARATIONS.

							Gallons.	Duty. £ s. d.		
1899	}	...	...	...	...	...	Nil	Nil		
1900										
1901										
1902	...	...	...	...	...	...	1½	0	18	0
1903	...	...	...	...	...	...	Nil	Nil		
1904	...	...	...	...	...	...	13	8	0	6
Totals							14½	£8 18 6		

W. T. GLASGOW,
Secretary and Inspector.

Department of Trade and Customs, Wellington, 25th October, 1905.

METHYLATED SPIRITS.

Year.				Imported.	Made in Bond.	Duty collected.					
						Imported.			Made in Bond.		
				Gallons.	Gallons.	£	s.	d.	£	s.	d.
1899	...	...	...	283	26,006	14	3	0	650	3	0
1900	...	...	...	369	32,226	18	9	0	805	13	0
1901	...	...	...	522	33,569	26	2	0	839	4	6
1902	...	...	...	1,423	43,034	71	3	0	1,075	17	0
1903	...	...	...	262	50,407	13	2	0	1,260	3	6
1904	...	...	...	154	55,655	7	14	0	1,391	7	6
Totals				3,013	240,897	150	13	0	6,022	8	6

The above methylated spirit made in bond has been methylated under Customs supervision.

W. T. GLASGOW,
Secretary and Inspector.

Department of Trade and Customs, Wellington, 25th October, 1905.

Approximate Cost of Paper.—Preparation, not given; printing (1,425 copies), £11 8s.

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