

*Mr. Seed.*

27th July, 1874.

52. You do not think he was justified, although you say the Inspector is a responsible person?—After the license has been issued, the duties of the Inspector commence, but not before. Mr. Cawkwell went to the Collector of Customs in Auckland, and conversed about the matter, and Mr. McKellar furnished him with a copy of this Act; so that if Mr. Cawkwell carried away any impression of the nature described, it was unfortunate; but he was not justified in so doing.

53. Then you do not consider that it was part of the duty of the Inspector to give warning?—No.

54. *The Chairman* read section 4 of “The Distillation Act, 1868,” as follows:—“Any person desirous of obtaining a license to distil or to rectify and compound spirits, shall make application in writing, addressed to the Commissioner of Customs, for such license, and such application shall describe the premises where such distillation is to be carried on, and shall be accompanied by a plan of such premises, showing the situation of the still and all other vessels and apparatus to be used in such premises, together with the dimensions and capacity of all such apparatus; and such plan shall contain such other particulars as shall from time to time be required and directed by such Commissioner to be given.”

55. Have you sufficient data to form anything like an accurate opinion as to the effect of colonial distilleries upon illicit distillation carried on in various parts of the country?—I have certain data, but of course it is mainly matter of opinion.

56. Have you any reports from the various Customs districts?—I have a return of all illicit stills suppressed for a number of years past. I can inform you as to the quantity of spirits consumed per head. I believe illicit distillation is produced by hard times. It was very rife in Auckland when things were low there; but as soon as prosperity dawned it disappeared.

57. I am quite aware that the Customs ought to have a pretty shrewd idea of the amount of distillation carried on, if only from the consumption of the one article sugar. The Customs authorities do not of course know where to place their hands on illicit stills, but they must know from the consumption of materials that there is an amount of distillation going on?—I know of all these things, but an officer, according to his temperament or from other causes, may have a very exaggerated opinion as to the amount of illicit distillation that is going on in or near his own district. I think colonial distillation has had the effect of reducing illicit distillation, but not to the extent generally believed.

58. *Mr. Macandrew.*] Then you think that illicit distillation is going on still?—In some places I believe it is.

59. *Mr. Montgomery.*] Are you aware that the brewers have been instrumental to a large extent in introducing a better description of barley?—That has not come under my observation.

60. Will you explain to the Committee how these distilleries can influence illicit distillation?—Because they are selling their liquor at a lower price than imported spirits, thus shutting out the profit of the illicit distiller. On the question of illicit distillation the following figures will give some information:—In 1858 the quantity of sugar consumed per head of the population was 79 lbs. a year; now it is 74½ lbs. In 1864 the consumption of spirits was a little over 3 gallons per head, but since distilleries have been established it has fallen to 1½ gallon. I think the decrease is owing to the decrease of drinking habits.

61. You are not able to give a very decided opinion as to whether illicit distillation has decreased or not?—I think it must have decreased, because where people can be supplied with spirits at 12s. 6d. per gallon, it would not pay to buy sugar and distil.

62. *Sir J. C. Wilson.*] Would the absence of the military not decrease the rate?—Yes, I dare say it would.

63. In answer to a question by Mr. Macandrew you stated that you did not expect the Act of 1868 to be repealed in six or seven years. I presume you meant that repealing the Act would stop distillation?—Yes.

64. You do not mean by this to assert that any addition would be made to the duty in seven years upon home-made spirits. Your answer was with reference to the repealing of the whole Act, and putting a stop to distillation. Then you are not to be understood to say that you did not think that in six or seven years the rate of 6s. would not be stopped?—No.

65. On the 27th November, 1872, the Dunedin Company asked for permission to make some extensive alterations, and on the 3rd January, 1873, the Collector of Customs was directed to answer as follows:—“No objection to work being commenced (that is, the additional improvements); but you are to inform the Distillery Company that any expenditure of capital in extending works will not be available as a plea against addition to duty, should the Government think fit to propose any addition for the sanction of Parliament”?—I forwarded that to the Distillery under orders from the Commissioner of Customs.

66. I presume that that was what you meant when you said that a warning had been given?—Yes.

67. *The Chairman.*] Did they take any notice of that; did they protest against it in any shape or form?—Not to the office.

68. Did they protest officially to any one in the office?—No.

69. Did they proceed with their improvements?—Yes.

70. And was this an extensive undertaking?—Yes.

71. Then you are aware that they proceeded with their alterations after they got this intimation, notwithstanding the intimation?—They did.

72. And without a single word having been said to you, either verbally or otherwise?—Not until August, 1873.

73. *Mr. Ormond.*] Can you tell the Committee what quantity of colonial-grown barley is used by distillers?—I cannot give any information as to the proportion of colonial-grown barley used. I am not aware whether they have imported more than one cargo of barley from California.

74. *The Chairman.*] In the petition they say they are going to consume 70,000 bushels of barley for distilling spirits during the next year. Can you tell me what the loss to the revenue will be on that?—£42,000. Although they produce a quantity of spirits, it does not follow that they will sell it, because it may be placed in bond.