

Mr. Cawkwell.
29th July, 1874.

220. Now, with regard to the loss to the colony, perhaps you would state the price in Auckland of the different kinds of spirits. For instance, what are the prices of rum, whisky, and Geneva, colonial and imported?—Colonial rum would be 17s. 30 overproof; the imported, I believe, is 22s. 6d., the difference being 5s. 6d. per gallon; colonial whisky is 12s., and imported 18s. 6d. to 19s.; Geneva (colonial) is sold in 3-gallon cases at 40s., imported is 56s.; colonial brandy is 16s., and imported 24s.

221. With regard to the future, do you think it probable that at some future day you would be able to manufacture spirits and pay equal duty? Do you say it would all depend on demand, and the prices of labour and material?—Yes.

222. *Mr. Bryce.*] How is it that the establishment of your distillery in Auckland can suppress illicit distillation throughout the Province of Auckland?—By the low price at which the liquor is sold. The quantities run so small made by illicit stills that it scarcely pays for the expense and risk.

223. *Mr. Reid.*] You say that you suffered a very heavy loss in the early stages of your proceedings in Auckland?—Yes.

224. But still that at the present time your profit and loss account is balanced. Would not that imply that that would now allow a small increase in the excise duty?—Whatever profit there is, the Government would get it if the alteration were made.

225. *Mr. Hunter.*] In your offer to sell your plant to the Government, did you put everything down at cost price?—Yes; my calculations were based on that.

226. When you sell small quantities do you charge a higher price than when you sell a large quantity?—Yes; we make a difference of 1s. 6d. per gallon if we break bulk.

LETTER from Mr. CAWKWELL to the CHAIRMAN.

SIR,—

Wellington, 30th July, 1874.

I wish to add a few remarks to my evidence given yesterday.

Some gentlemen of the Committee appeared to me to dwell greatly on the letter of warning, and I am afraid that too much importance is attached to this document. But for my own part it was of value only as revealing to me that a popular and powerful Government entertained views at variance with the Act, and that I might anticipate that the attention of Parliament would be drawn to an alteration; but it yet remained to be seen whether Parliament would listen to such a recommendation. Here, then, is a review of the position.

I hold in one hand the Act of Parliament, with its tempting 60th clause; in the other hand I hold a letter of warning from a Government official, and I ask myself which is the most reliable and trustworthy document, and which shall I depend upon? It is almost superfluous to say that I threw aside the official letter and trusted to the Act itself; for if the provisions of an Act of Parliament (representing the voice of the people) is to be set aside, prejudiced, influenced, overturned, rendered valueless or inoperative by a letter from a Government official, then I do most respectfully submit that the good faith hitherto reposed in, and the virtue of an Act of Parliament, will be lost, and the Government official be master of the situation. If the letter was intended as anything more than a friendly exposition of the Government views, I can only regard it as an unpardonable interference with the wishes of Parliament. The Judges in all our Courts of justice rule that the wording of an Act of Parliament must be carried out to the letter, and instances continually occur where Government officials are defeated by other persons in Courts of justice because the Judges will not accept any other showing but the exact word for word and letter of the law. In my case, I am certain that the letter of warning would not be admitted as evidence, in the face of the Act itself.

Begging indulgence for again trespassing on your attention,—I have, &c.,

To the Hon. W. H. Reynolds,

Chairman of Excise Committee.

W. J. CAWKWELL.

Mr. Robertson.
29th July, 1874.

Mr. R. M. ROBERTSON, of the New Zealand Distillery, Dunedin, examined.

Witness stated that he had drawn up a statement which contained substantially all the information he had to give. (Witness read the statement, for which see Appendix.) Witness stated that with regard to any valuation, they would be willing to have their statements of valuation tested or verified by the Government.

227. *Mr. Macandrew.*] You are prepared to submit these accounts to be verified?—Yes; and our books and everything.

228. I wish to ask whether Mr. Robertson is aware as to the difference in wages between his distillers and those in Scotland?—There is a very great difference. I am informed that Dunville's whisky can be supplied for 3s., whereas ours costs us 6s. a gallon. As to wages, for instance, we pay our distiller £200 a year, and a house and coal. At home that man would get from £50 to £75. For ordinary labour we pay from £2 10s., and we pay an expert in malting £5 a week. At home such a man would get £1 per week.

229. Wages are about three or four times as high as at home?—Yes; and interest on money was, when we commenced business, nearly twice as high. We had to pay nearly or about 12½ per cent. for the use of money at that time.

230. *The Chairman.*] Do you admit having received a copy of a telegram from Mr. Seed (No. 6 in printed correspondence) to Collector of Customs in Dunedin, and dated 3rd January, 1873?—Yes. Omitted by oversight in our statement.

231. *Captain Kenny.*] Referring to the printed correspondence, I wish to ask whether, although it does not appear here that you attached much importance to the warnings, you did not receive the first warning in November, 1868, prior to investing any capital in the business?—It was received in answer to an application for permission to put up premises. It was previous to investing any money, certainly.

232. *Mr. Reid.*] Did that warning give you no anxiety; did you think there was any probability there would be any reduction in duty on imported spirits?—No, we did not; not the slightest.

233. If it were proposed now to give effect to that warning, would you still think you had a claim