

Mr. Robertson. Act: supposing the House were to decide upon stopping distillation at once, what would be the compensation you would be satisfied with?—That is a matter to be arranged. We would expect to be recouped for our actual loss, as shown in the statement; and then for loss of business.

29th July, 1874.

259. I suppose you have had the matter under consideration: can you not give us an idea of what will satisfy you?—I could not state any sum at the present moment. We would much rather it were left to arbitration. I can only say, that rather than have the worry, anxiety, and annoyance we have had for years back, we would accept moderate compensation.

260. *Mr. Macandrew.*] In the event of your business being continued, is there any probability of your using anything but colonial-grown barley?—We are quite likely to be supplied. There is not the least probability of our requiring anything but colonial barley. We had a contract with a man to grow 40,000 bushels for two years.

261. You say you will have no difficulty in getting supplied within the colony?—No; notice being given.

262. *Mr. Tolmie.*] In the event of your distillery being closed, what effect would that have on your contract for supply of grain?—At present there is no contract made for this season. There were only these two which I have spoken of, and which have fallen through.

263. *Mr. Macandrew.*] Do you think parties have gone into the growth of barley in anticipation of the market?—Yes; with the Melbourne market becoming such a sure market. Between 5s. and 6s. can always be obtained in Melbourne for malting purposes.

264. *The Chairman.*] The demand for brewing also exists. The quantity used for brewing is larger than for distillation?—Yes.

THURSDAY, 30TH JULY, 1874.

The following Memoranda were handed in by the Chairman:

MR. SEED,—

The produce from 331,155 lbs. of molasses, used at the Crown Distillery, Auckland, was 20,779 gallons of low wines at proof. Deduct from this 5 per cent. for waste in converting the low wines into finished spirit, and 19,741 remains as the produce in spirits for duty; or, it has taken 16·7 lbs. of molasses to produce each gallon of spirit.

30th July, 1874.

WILSON HEAPS, Inspector of Distilleries.

HON. THE COMMISSIONER OF CUSTOMS,—

Mr. Cawkwell, in his evidence, stated that he paid a duty of 8s. per gallon on spirits made of molasses. Mr. Heaps has gone over the Distillery accounts, and finds the result given above; that is, that a duty of 1s. 4¹/₂d. is paid on molasses, for each gallon of spirits made from that material.

30th July, 1874.

W. SEED.

APPENDIX.

STATEMENT by Mr. R. M. ROBERTSON.

I BEG leave to hand in, as part of my evidence, the following statement, the whole of the facts contained in which I am prepared to vouch for as correct:—

During the years 1866 and 1867 my friend Mr. C. R. Howden and myself had frequent consultations as to our chances of success, should we agree to enter into partnership, and commence the business of distillation.

At that time the duty on colonial-distilled spirit was fixed by an Act of 1866 at 8s. per gallon; and after carefully considering the matter, we came to the conclusion that it would not pay to enter into the business with only a margin of 4s. per gallon, and we decided to abandon the idea.

Shortly after the Act of 1868 was passed, we again consulted upon the subject; and being eventually satisfied that the sliding scale of differential duty provided by that Act offered a reasonable prospect of establishing a profitable business, we determined to enter into partnership, and ultimately succeeded in inducing two of our friends, Mr. E. W. Humphreys and Mr. Larnach, to join us as partners.

It never at any time entered into our calculations that it was possible the Legislature, after having so clearly exhibited its desire to establish distillation as a local industry, would countenance any attempt to alter the terms it had offered, in order to induce persons to embark in the business, to their detriment. Had such a thought for a moment occurred to us, we should most certainly have had nothing to do with it.

Having formed our partnership, we at once proceeded to obtain the necessary permission for the erection of premises and plant, as required by the Act, and having secured a very suitable site, we erected extensive premises according to plans prepared by the best local architect. We spared no cost, either then or since, to make our buildings and plant of the most permanent and suitable character, and I may point to this as one of the facts going to prove the perfect confidence we reposed in the good faith of the Legislature.

I beg here to refer to the attached pamphlet describing our works. It was prepared in October, 1873, without any reference to this inquiry and without any personal reference to ourselves, by a local reporter for the *Otago Guardian* newspaper, but the information contained in it is in all essential particulars correct.

A reference to the printed correspondence with my firm will show, that up to the 18th August, 1873, no such warnings had been given to us as are stated in the Chief Inspector's letter of that date to have been conveyed to us on "various occasions;" but even had we received such warnings, I most respectfully submit that we should have been justified in disregarding them in the face of an Act of the Legislature to the contrary, the more especially as that Act was carried, as is admitted by the Inspector of Distilleries in his letter to Mr. Cawkwell of 22nd August, 1873, against the proposition of the Government in respect to the only point involved.