

## No. 9.

The CHIEF INSPECTOR of DISTILLERIES to Mr. CAWKWELL.

Customs Department (Distilleries Branch),

SIR,—

Wellington, 6th May, 1873.

I have the honor, by direction of the Hon. the Commissioner of Customs, to acknowledge the receipt of your letter of the 18th ultimo, in which you express a wish to elicit the intentions of the Government with respect to the duty to be imposed on New Zealand manufactured spirit before going to further outlay at your distillery, and to inform you that your letter will be duly laid before the Cabinet for consideration.

I have, &amp;c.,

J. HACKWORTH,

(for the Chief Inspector of Distilleries).

W. J. Cawkwell, Esq., Crown Distillery, Auckland.

## No. 10.

The CHIEF INSPECTOR of DISTILLERIES to Mr. CAWKWELL.

Customs Department (Distilleries Branch),

SIR,—

Wellington, 31st July, 1873.

With reference to the letter addressed to you from this Department on the 6th May last, I have now the honor, by direction of the Commissioner of Customs, to inform you that the Government have had under their consideration your communication of the 18th of April last, in which you state that you propose to make some alterations and improvements in your distillery plant and premises, and before doing so, you desire to elicit from the Government an intimation of the course they intend to pursue with regard to the duties on New Zealand distilled spirits; and after referring to the decrease that is taking place in the revenue through the present rate of excise duty (which decrease you admit is a matter for the serious consideration of the Government), you urge that distillation cannot be carried on profitably if the duty should be increased; and you appeal to the Government and the Legislature to let you prosecute your business to the best advantage, with an assurance against alterations of the present law, or to abolish distillation in the colony, and take your premises and plant off your hands at a fair price in order to shut it up.

In reply, I am to state that the Government cannot undertake to recommend to the Legislature that either of the courses you propose should be adopted, as they are advised that there is no ground upon which it can be alleged that persons entering into a business upon which there is no restriction, or a modified restriction, can ask for compensation if restrictions are placed upon it; and that, for this reason, distillers can have no claim to compensation if the duty is raised even to the same amount as on imported spirits.

I am to add that, having regard to the warning that was given to you when you first applied for a license under the Distillation Act, that an alteration in the spirit duties might be expected, and to the announcement to the same effect that was promulgated by the Colonial Treasurer when he made his Financial Statement in 1871, it is not at all probable that those proposals, if submitted to Parliament, would meet with any favourable consideration.

I have, &amp;c.,

WILLIAM SEED,

Chief Inspector of Distilleries.

W. J. Cawkwell, Esq., Auckland.

## No. 11.

Mr. CAWKWELL to the CHIEF INSPECTOR of DISTILLERIES.

SIR,—

Auckland, 8th August, 1873.

I have the honor to acknowledge the receipt of your letter dated the 31st of July, in reference to distillation. Before closing the correspondence, I am desirous of making two remarks on the contents of your letter.

(1.) You inform me that the Government are advised that there is no ground upon which it can be alleged that persons entering into a business upon which there is no restriction, or modified restriction, can ask for compensation if restrictions are placed upon it. The precise meaning intended to be conveyed by this is not quite intelligible to me, and it hardly appears applicable to the matter under discussion; but if you mean that advantages are to be held out by an Act of Parliament to induce people to embark in an industry that the Legislature desires to see established, and that, having done so, it is considered consistent with good faith, policy, and precedent so to alter the law as to entail a serious loss on them, or even possibly effect their ruin, then I must respectfully record my dissent from any such doctrine.

(2.) As regards the warning mentioned in the last paragraph of your letter, I beg to refer you to the correspondence that has already taken place between us on the subject, and especially to your letter of the 10th of June, 1870.\*

Wm. Seed, Esq., Chief Inspector of Distilleries, Wellington.

I have, &amp;c.,

W. J. CAWKWELL.