

(Limited), now a co-operative concern, was the pioneer of the present successful factory-dairying system of the Dominion.

Twenty-five years ago many struggling settlers were making an effort to eke out existence with the best market they could find for their ill-made butter, returning them an average of 4d. per pound. A few unsuccessful efforts to deal with dairy-produce on factory lines had been made, but up to that time all had failed hopelessly and disastrously. It was then that I took up the business, first as manager of a department of the old Auckland Fresh Food and Storage Company. When this company passed through stress, I succeeded in interesting other capital to continue the dairy portion of it. From that time to the present, through its several changes, this company has continued the work without cessation. In the interval we have manufactured and exported more butter than any company in the Dominion. Our disbursements last season in connection with butter alone were nearly a quarter of a million sterling. Our business has never taken a backward step during all the years. As a proprietary it met all its engagements through good seasons and seasons of disaster alike, and for twenty-five years it has fostered settlement probably beyond what has been done by any other single institution in New Zealand. In its various forms, and, finally, under its present co-operative character, its history has been one which I, who have had continuous charge of it, review with satisfaction; and I am glad of the happy accident which placed me in the position to so assist in making our country and our people prosperous.

After the struggles of the early and more critical period of the dairying business were over, and when it was sufficiently established to insure its continuance, the Government Dairy Department was organized. I have no present recollection of our company having received any valued assistance from that Department, although our relations with it have, in the main, been of a pleasant nature. I, however, readily testify that, in my opinion, it has been exceedingly useful in the case of very many small factories, especially in more remote districts where opportunities of getting information respecting modern dairying were either not as available or perhaps as regularly made use of as with ourselves and other more advanced companies. In such cases the measure of education which your Department has been able to give has done much to create and to preserve the reputation which the dairy-produce of the Dominion now enjoys. I also take this opportunity of acknowledging that many of the officers of your Department have been qualified, competent, and judicious in the pursuance of their duties. I am sorry to say that, as far as my company is concerned, there has been one marked exception to the rule. I refer to the present Chief Grader stationed in Auckland—Mr. A. Thornton. Without attempting to account for Thornton's unfriendly attitude and actions towards my company, I want, as briefly as I may, to indicate to you the manner in which these have been hurtful to the interests of the important section of the Dominion's dairy industry which I represent and control.

My company's first contact with Thornton as an official of your Department was in 1897. At that time the butter-export business of Auckland was struggling to its feet. My company was then the only important representative of the now thriving industry here. At that time Thornton, who was Grader at Wellington, put my struggling company to a needless expense of £100, in the face of circumstances which would have suggested to a wiser or more considerate man that it was entitled to the fullest assistance of the Department which he represented. I am attaching copies of letters referring to this incident, and also copy of an article by the *Auckland Star* referring to it. These are marked respectively "A" and "A1." These will explain the incident in full. The outline of it is that, owing to mishaps to the shipping, the freezing-stores of Auckland and New Plymouth were full of delayed butter waiting for shipment. Our own little company had about 70 tons in freezing-store—a considerable accumulation at that time. Being at the terminal point, we had first claim upon space in the west-coast steamers, which offered the best and most direct way of getting Auckland frozen butter to the Home-going vessel in Wellington; but I learned that if my company insisted upon its acknowledged claim to occupy the space it would shut out the butter which was lying at Taranaki, which, like our own, had been delayed in shipment. Upon representations from the agent of the Union Steamship Company at Auckland, we gave up the "Takapuna" space for the accommodation of the Taranaki butter, and ourselves used the longer east-coast route, which was, of course, not available for the Taranaki people. Our butter was specially frozen to resist the longer carriage, and reached Wellington in splendid condition. Naturally, a small quantity of the shipment which lay just underneath the hatchways was raised in temperature. This was not sufficient to hurt it, but it was taken advantage of by an inconsiderate or antagonistic official as a pretext to send the whole of our 70 tons of butter to the Wellington freezer to be refrozen, and to thus impose upon my company a fine of £100 for having given up the "Takapuna" space for the relief of the distressed industry in Taranaki.

Our next contact with Thornton was upon his appointment as Grader to the Auckland Depot, since when we have been subjected by him to a series of generally small annoyances and obstructions, to the hurt of our business. Thus, on the 7th November, 1905, I had occasion to write to Mr. Kinsella, who was at the time Dairy Commissioner, complaining of want of consideration and assistance such as had been previously given to all the companies and firms here by Thornton's predecessors (see copies of letters to Mr. Kinsella marked "B" and "B1," attached).

Copy of letter marked "C" indicates what we have all along considered the unfair or incompetent judgment of our produce by Thornton. This is not and has not been a matter of importance to my company, although it has been an annoyance to our factory-manager.

Copy of letter marked "D" indicates Thornton's indisposition to facilitate business. This is an example of the pinprick order of obstruction, and is not important enough to be elaborated.

Copies of letters "E," "E1," and "E2," addressed to the Dairy Commissioner, refer to a further obstruction by Thornton which was at once removed on application to Wellington.

Copies of letters "F," "F1," "F2," and "F3" disclose what appears to be a deliberately hurtful obstruction, and violation, without explanation or apology, of an arrangement which