

to assist; but in all cases the inspectors shall be responsible for all the decisions; and any sample of butter found defective shall be salted and sold at owner's risk or returned to him at his option. All butter received by this company shall be without salt and of good quality, free from milk, water, or any other impurity.

"Article 16.—For the purpose of enabling the Committee to make the necessary arrangements for packing, every person sending butter to this company is required to furnish a statement of the quantity he is able to supply during the season as nearly as possible, and any person at any time during the season wishing to send more shall give notice of his intention to do so the week before to the packer at the packing-house.

"Article 17.—All persons sending butter to this company are required to find their own pass-book, and to bring it to the packing-house every time they bring butter, when the packer will enter the amount; and, in the event of any dispute arising from neglect of this rule, the books of the company shall be conclusive.

"Article 18.—All persons bringing butter to this company shall, in the management of their cattle, wash and clean the udders of their cows every time they milk, and all the vessels in use in their dairy. Buckets, milk-dishes, and all other utensils shall be properly washed and scalded every time they are used, and every other matter in connection with the dairy shall be conducted so that everything about the premises may be clean and sweet; and in the event of any defect arising in the butter of any person or persons the inspectors shall point it out to them, and also the way which, in their opinion, would remedy it.

"Article 19.—All questions as to the manner of conducting this business, and every matter of interest, of whatever nature, to the association, shall always, in case of dispute, be decided by a majority of subscribers.

"Article 20.—The foregoing rules, or any one of them, may be repealed, amended, or new ones may be added to them, by a majority of subscribers at any meeting called for that purpose."

Prior to commencing practical operations at the Exhibition, I visited the Brighton district and the Taiari, Henley, Maungatui, Bruce, Stirling, Inch Clutha, and Edendale dairy factories. Early in December, 1889, having been requested by the Chairman of the Agricultural and Pastoral Committee, I commenced my practical duties in connection with the Exhibition, giving demonstration daily in the arts of making butter and cheese. This I continued until the 15th January of the present year. During that time, in conjunction with my practical work, I delivered lectures on cheese- and butter-making respectively, always taking advantage of a day when a considerable number of persons interested were present. During the month of February my services were again engaged in connection with the Exhibition, and the same routine of work gone through as in December and January. These lectures, which appeared in the *Otago Daily Times* and *Witness*, I have since learned were widely read and commented on through various sources by parties directly interested in the dairying industry, and were, I trust, productive of much good. Altogether my services at this institution seem to have been appreciated, and I believe assisted in bringing about a more uniform and scientific system of manufacturing butter and cheese. I had also frequent inquiries for my services from many parts of the colony from persons engaged in the dairying industry, and serviceable interchange of opinion took place.

On the 1st March, as desired by you, I left the Exhibition to make a tour of the South Island dairy factories. I did not, however, take the factories in rotation, but went wherever I had reason to believe my services would be most beneficial, as many of the smaller factories at this date were almost closing operations for the season. The country over which I travelled comprised all the east coast of the Provinces of Southland, Otago, and Canterbury.

At this point it may be desirable to introduce a few remarks regarding my idea of the dairying capabilities of the colony, at least so far as my travelling up to the present has enabled me to judge. The above-mentioned section of country is probably the best portion of the South Island for general agricultural and pastoral pursuits, and in the main is well adapted for carrying on dairying operations. Indeed, during my residence in the colony, being entirely interested in the dairy industry, I have come to believe that New Zealand as a dairying country stands second to none. For such an industry to flourish in the midst of a scantily-populated country, where the production so much exceeds the demand, and where there is an absence of a reliable and profitable market, the natural adaptability of the country must be considered. New Zealand is naturally adapted for the successful conducting of the dairy industry. Here we have a country capable of maintaining all the known breeds of European cattle in perfection, and of growing every known crop. We have a temperate climate, pure atmosphere, abundance of water, a growth of grasses and cereals scarcely to be met with elsewhere, all of which are directly essential to the welfare of the dairy industry. The question has been repeatedly asked of me, whether I considered our remoteness from the Home market (deemed to be our most reliable market) did not handicap us too much in successfully competing with Canada and America, where the principal Home-supplies come from. I am of opinion that the natural advantages possessed by this colony over those of Canada, America, and Europe more than counterbalance any loss we suffer in being so far removed from the Home-country. If we fail to grasp that position in the London market we so justly are entitled to, the fault can only be ascribed to the neglect of proper management on the part of those engaged in the industry. In climate, water-supply, and pasturage we have a decided advantage. In Canada and elsewhere a comparatively long and severely cold winter necessitates more manual labour and painstaking care in the carrying of the herds through to the ensuing season. There they are compelled to resort to house-feeding for at least seven months of the year; hence more of the profits of the season are consumed by the additional labour and expense involved. As a contrast to this, in many parts of New Zealand a cow can go all the year and derive all she requires, so far as the production of milk for the manufacture of cheese is concerned, from the grass without its being supplemented with any