

proper care—that action was taken; and the testimony of Mr. Heaton is that Captain Rose and the engineer of the “Ruapehu” gave this as their reason: “They could not ship the butter against the instructions of the Government Inspector.”

“I have explained to Mr. Spragg that we have no power to prevent the shipment of any produce, and that it rested with the officers of the boat to take it or not. From our conversation of to-day I understand the engineer acted solely on his own responsibility, and that you will continue to refuse all butter arriving in an unfrozen condition.

“I shall be glad if you will kindly give me this in writing.

“JOHN D. RITCHIE, Secretary.”

The reply from Captain Rose is as follows:—

“SIR,—

“Wellington, 26th April, 1897.

“In reply to your memorandum of the 20th instant *re* butter *ex* ‘Rotomahana’ for transhipment to the ‘Ruapehu,’ I beg to state that the chief engineer examined the butter on board the ‘Rotomahana,’ and found it too soft for shipment, and declined to take it, as it would not be possible to freeze it hard on board the steamer. I may say that all our engineers are refusing to take butter on board unless properly frozen, as they get the blame of any damage for so doing.

“I have, &c.,

“HENRY ROSE, Local Manager.

“The Secretary, Department of Agriculture, Wellington.”

This letter in itself is proof positive that the charge made against Mr. Thornton is absolutely without foundation. The letter is conclusive, but, in addition, I may point out that the landing of butter from Auckland in a frozen condition in Wellington, if carried down the east coast as ordinary cargo, more especially under the conditions of freezing and carriage existing in 1897, would be an impossibility, as has been proved by subsequent experience.

The only part Mr. Thornton could have taken in the transaction was to check the temperatures—a duty devolving upon him as an official of the Department.

2. Mr. Spragg states that the New Zealand Dairy Association has been “subjected by him (Thornton) to a series of generally small annoyances to the hurt of our business.”

Since Mr. Thornton took up his duties in Auckland as Grader in Charge, he has found it necessary on several occasions to request the New Zealand Dairy Association to comply with the regulations under the Dairy Industry Act. Mr. Spragg endeavoured to overawe the Grader in Auckland, and has not refrained from hinting that he had political influence which he could command. Excessive latitude having been allowed shippers (especially the New Zealand Dairy Association) before Mr. Thornton went to Auckland, the much-needed change was, when given effect to, apparently treated by Mr. Spragg as an unfriendly move directed especially against his company. This interpretation of the policy of the Department put Mr. Thornton in a very invidious position. Mr. Thornton, however, has not insisted on the strict compliance with the letter of the law, and has endeavoured to meet the shippers as far as is consistent with the best interests of the industry.

As showing the willingness of this officer to meet the wishes of the association, it may be mentioned that he has frequently attended the company's depot in Auckland to assist them in classing certain special butters—a voluntary act on his part, and not a portion of his duty. In addition to this, he has, since his arrival in Auckland, attended the company's private stores to grade tinned butter. Had he been antagonistically inclined, he could have insisted on this produce being delivered in the ordinary grading-store, which would have been more inconvenient and costly to the company.

3. Letter A to Mr. Ritchie is met by the information contained in the letter from the shipping company. A 1 shows how Mr. Spragg endeavoured to use the influence of the Press to assist him in opposing even the Secretary for Agriculture in connection with any contemplated change. It may be mentioned that this opposition has ever been felt by the Department and the Dairy Division in particular. This is further evidenced in—

4. Letter B. The text of this letter is found in these words: “I am now in receipt of a note from him (Thornton) saying that on your (Mr. Kinsella's) instructions, all tinned butter for the South Sea islands must be inspected and graded.” This letter has been included as evidence against Thornton, although in point it evidences Mr. Spragg's opposition to any change, although such change was merely bringing the carrying-out of the work in Auckland into line with the routine at other grading ports. The opposition of the shippers and factories at all the other grading ports combined has been less than that offered by Mr. Spragg alone. Letter B 1 would indicate that Mr. Spragg continued to oppose the grading of his tinned butter until the Department threatened to take steps to enforce the law in this respect. The grading of tinned butter was being done in Wellington, and with no opposition. These letters refer more to the action of the Department, or the Dairy Commissioner, than to Thornton.

5. Letter C bears on Thornton's judgment of quality. The reports on quality from London are frequently misleading, and are often merely an indication of market conditions. Good reports follow good markets, and *vice versa*. I know Thornton's judgment was not severe on the quality of the butter of the New Zealand Dairy Association when grading. Although Mr. Spragg in letter C states that the butter from Ngaruawahia was “practically condemned by Thornton,” our office records show that for the season referred to (1905–6) butter from the Ngaruawahia Factory graded *considerably above the minimum* for first grade—viz., 2·41 points, the average grade being 90·41 points, whereas the minimum for first grade is 88 points.

6. Letter D refers to a shipment of butter. This butter, even if stored for local use, should have been graded before freezing. A large concern is seldom sure whether they will sell locally or export. An example of Mr. Spragg's demands is shown in his asking the Grader to accept, as a sample of a further shipment, a number of boxes he (the Grader) had examined for a previous