

was in accordance with previous practice, and which in the case referred to had just been agreed to by Thornton. To any one acquainted with the business the desirability of getting all that is possible of our manufacture forward by the first opportunity, so as to catch the more favourable early market, is quite understood. A delay of a fortnight in certain seasons may make a difference of £10 or so per ton upon the sale of butter, hence our anxiety not to be baulked by trivialities and red-tapeism in our effort to include the last ton possible in shipments. Prior to Thornton being placed in charge at Auckland we never had occasion to complain of want of consideration from a local Grader, nor, I think, had they ever occasion to feel that we were asking from the Department anything that it ought not to do either for us or for anybody else in the business.

These briefly referred-to cases will serve as samples of the lesser although sufficiently important obstructions of which I complain.

Throughout practically the whole of the time from the date of Thornton's arrival in Auckland reports were frequently brought to me that Thornton, and subsequently his associate Dairy Instructor, Shirley, were using their influence to the injury of my company's reputation and the extension of its operations. By virtue of their office, opinions which they expressed and advice which they gave would naturally carry weight altogether out of proportion to its actual value as based upon the knowledge which they possessed. This influence, I have said, we were constantly hearing was being used to the detriment of my company. A definite case of this kind was brought under my notice in an attempt by Thornton and Shirley to interfere between my company and the Onewhero Co-operative Dairy Company. The facts are set out in copies of letters which I attach, addressed to the Dairy Commissioner and the Minister, for the time, of the Department, and in a copy of a letter from Mr. Miller, of Onewhero, which was also sent for the information of the Department. These are marked respectively "G," "G 1," and "G 2." I think it will be difficult for you to come to any other conclusion than that a deliberate and, in case of one of them, a wicked attempt was made by Thornton and Shirley to injure my company's business and to prevent the contemplated amalgamation. I look upon this incident, because it affords proof in a single case of what was frequently reported as the practice of these men, as being a very important matter for your consideration.

I shall, further on, place on record the recent incident of your Department's prosecution of my company for alleged breach of the Dairy Act which resulted in the dismissal of the charge by the presiding Magistrate, but I wish now to call your attention to the manifest animus exhibited by Thornton in connection with this case. For the present I pass over the omission to call my company's attention to the condition of the butter in question. On the face of it, it would appear to most people that, placed in charge of the Auckland end of a Department whose duty it is to protect the reputation of New Zealand butter, it was his duty, by any reasonable and lawful means within his command, to prevent butter which, in his opinion, was likely to damage the Dominion's industry from leaving our shores. I am informed that he had no specific powers to do so, but I respectfully submit that it was easily within his province to have notified my company of his suspicions and intention to have the butter in question analysed, to have invited our inspection, and suggested that we should take samples to check his Department's analysis.

It is doubtless now within your knowledge that the complaint referred to one box of an irregular lot of ten boxes of butter, marked separately and distinctly from the 3,150 boxes under our standard brands which went to London by the same vessel, and that there was not and never has been a suspicion of fault, or carelessness, or otherwise in connection with these standard brands.

It may further be within your knowledge that the local Graders of your Department are furnished with appliances with which they can at least roughly determine the amount of moisture in a given sample of butter, so that within a reasonable time—say, within from two to twenty-four hours—such notice as would have been likely to protect the industry by causing the withdrawal of the suspected butter might have been given to my office. To ordinary people having in mind the supposed duties of your Dairying Department, it would appear that Thornton was guilty either of gross neglect of duty, or of intention to entrap in such a manner as to make any offence which might be proven to appear the more heinous, because I assume that, although the law provides equal punishment for "attempting to export" illegal butter as for actually exporting, it is probable that a Magistrate would take into account any prompt action to withdraw the offending goods from sale. To me, Thornton's action in this case appears to have been dictated by some feeling against either my company or myself which made him careless as to any injury which might finally result to the reputation of the Dominion through what he believed was faulty butter going to the English market. I have since learned to my surprise, and I think it will be a surprise to all to hear of it, that Thornton's action in this particular had the approval of the senior officers of the Department. Such being the case, thus far he can only be charged with utilising authorised means for continuing the policy of annoyance and hurt to my company which I have previously described.

I now want to call your attention to the marked evidences of his personal hostility in the conduct of the case in which he acted as his Department's representative. In the first place, intimation of the full text of the charge against my company was given to the riff-raff of the streets and to the newspapers for publication before we ourselves knew of it. This publication of allegations since declared unproven going forward unqualified by any statement of our side of the case was liable to have, and for the time did have, a seriously damaging influence. This, I am afraid, was so intended by the person who gave the details. I assume that only Thornton, acting for the Department, and Mays, the Crown Solicitor's assistant, would possess this information. Mays has since said that he did not give any one the details in question. I am therefore left to the conclusion that it was supplied by Thornton.

On the second occasion of the case being called we had, by arrangement with Mays, and upon his suggestion, agreed to admit technical guilt on the plea of inadvertence. Mays had informed