

shipment, stating that one sample was representative of the whole. To extend this, Mr. Spragg might with as much evidence of fact claim this sample to be representative of their whole output. In the third sentence of letter D it will be seen that any slip or mistake on Mr. Spragg's part is an inadvertence, while from the general correspondence any so-called mistake on the part of the Department he terms an unfriendly action aimed against his company.

7. Letters E, E 1, E 2 are dealing with an instance wherein Mr. Spragg asked to be permitted to ship butter without it being the regulation time in the freezing-chamber. Although Mr. Thornton had no power to authorise this, on the advice of the Secretary for Agriculture the concession was allowed, under the following specified condition: "This to be without prejudice to future shipments, when we will expect you (Mr. Spragg) to conform to regulation time in freezer as other shippers do."

It may be pointed out that the general principle that all butter should be properly frozen is recognised by all in the dairy business; but, notwithstanding this, many shippers would at times like to get unfrozen butter away, depending on all the other butter shipped being sufficiently frozen to reduce the temperature of the warmer. The warmer butter raises the temperature of the colder, and the principle of shipping nothing but properly frozen butter cannot, in justice to all, be departed from. It has been difficult to get Mr. Spragg to come into line in this respect.

8. Letter F contains a charge that Thornton was responsible for short-shipping one lot of Pukekohe butter. Thornton states that he informed the secretary of the association that "its being included would all depend on the time it arrives." It has been reported that this butter did not arrive sufficiently early for the freezing-works to handle it the evening of the closing date, and that it was unloaded the following morning. The freezing-works are entirely responsible for such unloading. With regard to Thornton's action, I may quote from my letter to Mr. Spragg dated the 20th October, 1908:—

"Seeing that the conversation about the matter took place between Mr. Pacey and Mr. Thornton about twelve days prior to the date of closing for this shipment, it is not surprising that a difference of opinion should now crop up as to what was actually said on this occasion.

"As it is, I have nothing to go upon, except a copy of Mr. Pacey's letter to the Grader on the one hand, and a letter from Mr. Thornton on the other. What is said by one is contradicted in the other to some extent; therefore it seems to me that there is some ground for the contention that no definite arrangements were made regarding the butter which was expected would arrive by this particular train."

9. *Re Onewhero amalgamation*: The only evidence Mr. Spragg has advanced against the conduct of Messrs. Thornton and Shirley at the Onewhero Factory is that contained in a letter addressed to the New Zealand Dairy Association's secretary by a Mr. Miller, in letter marked G 1. Although (evidently under pressure) Mr. Miller states, "In thinking the matter over *a few days afterwards* I came to the conclusion that they came up with the express purpose of putting in a word for Mr. Brown and putting in a word against the amalgamation," he further qualifies such general charge by saying that "the plan they took and the statements they made would, I believe, exonerate them."

It will be noted that it was only after a lapse of "*a few days*" that Mr. Miller came to this conclusion as stated, which surely proves that these officers could not have taken any active measures or made any very strong statements against the interests of the New Zealand Dairy Association's business. That these officers were guarded is evidenced by Mr. Miller in his statement to the effect that Mr. Thornton "said he wished it particularly understood that he was not antagonistic to Mr. Spragg or the New Zealand Dairy Association, and had not come to try to persuade me (Mr. Miller) one way or the other." As stated in Mr. Spragg's covering letter, representations were at the time made to the then Minister for Agriculture and the Dairy Commissioner. The Minister asked that certain inquiries should be made, and as the result of these he wrote to the Secretary for Agriculture, regarding Messrs. Thornton and Shirley's action, that "I quite accept their statements that they did not visit the place with the intention of interfering in the business arrangements with the factory-suppliers." While the Minister agreed that Messrs. Thornton and Shirley had not acted wrongly in regard to their interview with the milk-suppliers of the Onewhero Company, he did, however, take exception to the tone of their replies when referring to the accusation made against them. No doubt the officers felt very strongly that they were being falsely accused and maligned; therefore, under such circumstances some allowance has to be made for the tone in which they refuted the groundless charge, implying as it did that they had used their influence with a view to damaging Mr. Spragg's company.

10. Pages 4 to 6 of Mr. Spragg's letter—Thornton's "manifest animus" in connection with the recent prosecution: Mr. Thornton had nothing whatever to do with instituting the proceedings against the company beyond authorising the carrying-out of a suggestion advanced by the Assistant Grader to the effect that a sample for analysis should be taken from the box of butter. Further, he could not know, until this butter was analysed and reported on from New Plymouth, that it really contained an excessive percentage of moisture. It was not until after the association was informed by me that proceedings would be taken that Thornton received information regarding prosecution. Had Mr. Thornton intimated his suspicions regarding the excessive water content of this butter to Mr. Spragg, as Mr. Spragg contends he should have done, it is possible that the butter might have been withdrawn. Had subsequent analyses proved these suspicions unfounded, it is reasonable to infer, judging by past experience, that Mr. Spragg would not lose such an opportunity of complaining of further unjustifiable interference with and animosity against his company.

11. Publicity of the news *re* pending prosecution: On page 5 of Mr. Spragg's letter he makes the following statement—"In the first place intimation of the full text of the charge against my