

DEAR SIR,—

12th October, 1908.

Yours of the 8th instant: I am sorry I cannot agree with you that Thornton's conduct in question was due to a misunderstanding. The arrangement was duly made with him by our Mr. Pacey. It was cancelled at the last moment, as described, without consideration for us, and although it has been referred to in communication with Thornton on three occasions—twice through the telephone and once by the letter of the 23rd September, copy of which you received—he has not suggested to us that there was a misunderstanding, and am surprised to learn that he has conveyed this impression to you. The facts are exactly as stated in the letter of the 23rd September referred to:

Yours, &amp;c.,

WESLEY SPRAGG,

Managing Director.

D. Cuddie, Esq., Dairy Commissioner, Wellington.

DEAR SIR,—

27th October, 1908.

I do not want to prolong the correspondence on the subject-matter of yours of the 21st instant, but feel that I ought to say that you appear to have entirely failed to note that on the three occasions referred to in mine of the 12th, when Thornton was reminded of his arrangement to receive late "Tongariro" butter, he did not suggest, much less say, that we had misunderstood him. If you add to this the fact that the arrangement was referred to after it was made, and prior to the day upon which the butter in question arrived, and was assented to by Thornton, you will find difficulty, as I do, in accepting the theory of his action being the result of misunderstanding.

I appreciate your position, and recognise that it places you under obligation to protect your officers in a full reasonable manner. On the other hand, I understand that genuine complaints are entitled to your consideration, and I have hitherto addressed you on this understanding. You say Thornton has not been inconsiderate of us in the past. I am sorry to say that my memory of specific instances to the contrary makes it impossible for me to agree with your opinion. In the case in question, if a misunderstanding had occurred, which it did not, very small consideration for our interests would have prompted him to meet us in the difficulty thus created, which, indeed, should not have been a difficulty at all, as our requirement was only in accordance with previous practice.

I am not anxious to dig up old annoyances. I have been quite willing to wipe the slate and start afresh, but have so soon met with fresh cause of annoyance that I am not now very hopeful as to the future.

I have no desire to discuss Thornton's relations with other people, nor do I want to comment at large or in kind upon the unpleasant suggestion of your subfinal paragraph. It is sufficient reply to your implied reflection that, during the many years of contact with Graders at this port, prior to the arrival of Thornton, we never on any occasion received treatment of which we desired to complain.

I hope, after all, you have some reason for your trust that we shall not have further cause to complain of Thornton's conduct. Certainly we shall, as hitherto, endeavour to avoid needless friction.

Yours, &amp;c.,

WESLEY SPRAGG,

Managing Director.

D. Cuddie, Esq., Dairy Commissioner, Wellington.

DEAR SIR,—

Auckland, 28th August, 1906.

I am enclosing herewith copy of a letter which I have received from Mr. James Miller, one of the directors of the Onewhero Co-operative Company. The facts which led up to this letter being sent to me are that for some time past there has been a disposition on the part of the shareholders of the Onewhero Co-operative Company to amalgamate with our New Zealand Dairy Association (Limited). They have been influenced by knowing that for years past we have paid to our shareholders, who are otherwise similarly situated, larger prices than their separate management enabled them to pay. They finally decided upon amalgamation, one person only voting against the motion. I was at Onewhero at the time of this decision, and was then informed "Thornton had done his best to prevent the amalgamation from taking place." I have since inquired for the facts, and have received the letter, copy of which I am sending to you. If Mr. Miller's statements are correct, and any one who knows him would believe them to be so, it would appear that Mr. Thornton has allowed his marked unfriendliness to my company to manifest itself in other than his accustomed, and what I recognise to be his authorised, official manner.

I call your attention to the discussion mentioned in Mr. Miller's letter *re* tests which your officials introduced, apparently as part of their mission to Onewhero. If the contention to our disadvantage, which was backed by offer of wages, meant anything at all, it must have meant, as it was understood to mean, that my company's tests were not fair ones. You will learn from Mr. Miller's letter that whatever was said failed to influence the final decision of the Onewhero people; but the suggestion and inference was none the less outrageous and unjustifiable.

I also call your attention to the general question of the interference of Thornton and Shirley in this matter. You will see that Mr. Miller came to the conclusion that Thornton and Shirley's visit to Onewhero was for the express purpose, as he says, of "putting in a word for Mr. Brown," who, by the by, has since been employed by us, and "putting in a word against the amalgamation."