

My attention has lately been called to a letter written by Mr. Travers, and published in the *New Zealand Times* of the 4th of April last, in which he admits he knew of the existence of the Act, "but had never read it till it became necessary for him to do so in connection with Messrs. Brogden's claims against the Government;" and then charges the Government and Legislature with a breach of faith by introducing into the Act a set of provisions which materially modified the rights the Messrs. Brogden had under their contracts. A copy of this letter is appended (marked B).

Although, in reporting on the facts connected with this matter, I am not called upon to point out that the Messrs. Brogden have never experienced any *actual* inconvenience from the provisions of the Act—their complaints being as yet matters of assumption—nor to state what I conceive to be fallacies in the arguments put forward by them; yet, as so long a period has elapsed since the Act was passed, I think I may allude to the position of political parties at that time. The Fox Ministry vacated office in 1872, upon an adverse vote as to the administration of the Immigration and Public Works policy. During the debates, which lasted from 21st August to the 5th September, constant reference was made to the negotiations and arrangements with the Messrs. Brogden, both in England and in the colony; and, as I believe Mr. James Brogden was then in Wellington, and Mr. Travers certainly was, it is difficult to conceive that this Bill should have been passed through the Assembly unnoticed, especially looking at all the facts stated in this report, and bearing in mind the remarks made by Mr. Stafford on its second reading, and which were noticed in the journals of the day.

22nd May, 1878.

W. S. REID.

(Appendices.)

APPENDIX A.

Analysis of Bill intituled "The Government Contractors Arbitration Act, 1872."

(1st Revise.)

1st August, 1872.

PREAMBLE recites that there are statutes in force for erection of public works in colony, and that, as disputes may arise with persons executing such works, it is expedient provision should be made for summary and final settlement of such disputes.

Clause 1. Short Title.

Clause 2. Interpretation.

Clause 3. Disputes between Government and Contractors to be referred to decision of Judge of the Supreme Court.

Clause 4. Where dispute between Chief Engineer and Contractor, to be referred to the Minister for his decision; and in case decision of Minister adverse to Contractor, then latter entitled to avail himself of provisions for arbitration thereafter contained. Provision for one calendar month's previous notice to Minister.

Clause 5. Statement of matter in dispute to be settled and signed. Copy of statement to be served by party proceeding to a reference, and filed in Supreme Court.

Clause 6. Either party refusing or neglecting to state case, Judge may proceed *ex parte*.

Clause 7. Procedure on filing of statement.

Clause 8. Judge to fix day and place of proceeding with reference.

Clause 9. Judge may direct how reference to be carried on.

Clause 10. Judge may hear evidence on oath or affirmation, and may require production of papers, plans, contracts, &c.

Clause 11. Judge may direct inspection of works by skilled persons, and report or certificate of such persons may be taken and received by Judge as if evidence had been taken *vivâ voce*.

Clause 12. May obtain opinions of engineers, accountants, and other skilled persons.

Clause 13. Parties not attending reference, Judge may proceed *ex parte*.

Clause 14. Parties may appear by counsel or solicitor. Judge may adjourn proceedings.

Clause 15. Notices, how to be served on the Minister and Contractor respectively.

Clause 16. Judge to give a certificate of his decision, and what may be stated in certificate. Payment of money by one party to other, whether as damages or costs. What shall be done or be refrained from being done by either of them, in respect of any matter relating to contract or arising thereout, or the proceedings on the reference.

Clause 17. Copy of certificate to be filed in Supreme Court, at place where proceedings conducted.

Clause 18. Effect of certificate to be similar to judgment or decree of Supreme Court in its ordinary jurisdiction. Crown may proceed thereon as upon a debt due to Crown. Contractor to be entitled to have same satisfied, as provided by "Crown Redress Act, 1871."

Clause 19. Costs to be paid as Judge shall, in his discretion, think fit to order, and shall be included in and form part of certificate.

Clause 20. Penalty for non-attendance as witness, or for neglect to obey order of Judge.

Clause 21. Procedure of Supreme Court to be applicable.

Clause 22. No appeal from Judge's decision, either to the Supreme Court, or Court of Appeal, or other tribunal; but every decision shall be final, &c., on parties.

APPENDIX B.

DEAR PRENDERGAST,—

Wellington, 13th August, 1872.

I send you two sections in draft, which I venture to suggest in lieu of sections 5, 6, and 7 of the proposed Contractors Arbitration Bill. I also suggest the following alteration:—

In section 4, lines 16 and 17, to omit the words "a settlement of such difference," and insert "arbitration." To omit the proviso at end of section 18. It appears to me that, as drawn, a con-