

1881.  
NEW ZEALAND.

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# PUBLIC PETITIONS COMMITTEE.

REPORT ON THE PETITION OF MESSRS. BROGDEN

*Report brought up 15th September, 1881, and ordered to be printed.*

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## REPORT.

In dealing with the petitioners' case the Committee have availed themselves of the evidence taken by the Public Works and Immigration Committee of 1873. The Committee have also obtained documentary evidence from the Public Works Department, and fully examined such witnesses as have been submitted for examination by the petitioners. After carefully considering the evidence, and giving due weight to the circumstances under which the immigration contract was entered into, I am directed to report that the Committee are of opinion that the petitioners have no claim against the colony

15th September, 1881.

THOMAS KELLY,  
Chairman.

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## PETITION

To the Honorable the House of Representatives, in Parliament assembled.

THE RUMBLE PETITION OF ALEXANDER BROGDEN, M.P., HENRY BROGDEN, AND JAMES BROGDEN, OF THE CITY OF WESTMINSTER, IN ENGLAND.

SHOWETH:—

Your petitioners in June, 1871, after many months of previous negotiation with the Honorable Julius Vogel, at that time the Treasurer of the Colony of New Zealand, and then in England, executed in duplicate three instruments, dated respectively the 21st, the 22nd, and the 26th June, 1871, each of which was expressed to be made between the then Governor of New Zealand, of the one part, and your petitioners, of the other part.

2. The first instrument expressed that the Governor would intrust to your petitioners, and that they would undertake, the construction of railways in New Zealand to the value of £4,500,000; that the Governor, besides paying your petitioners the cost of the railways to them, and a profit of 5 per cent. thereon, would make to them grants of land at the rate of three-quarters of an acre for every pound sterling of cost of the railways, and one-fifth of which should be suitable for settlement, and for settlers to take immediate possession of; that the portions of the latter required for immigrants should be granted as and when required; that your petitioners would within ten years land in New Zealand ten thousand approved European immigrants; and that the Governor would also pay your petitioners the sum of £1 per head per annum for ten years for all immigrants so landed.

3. The second and third instruments related to the construction of railways, without any reference to immigration; neither of the three contracts referred to was, however, adopted by the House of Representatives, and long negotiations ensued, which resulted in certain other contracts for the completion of various lines of railway in different parts of the colony being entered into between the Government and your petitioners, the subject of immigration being altogether excluded from them.

4. The negotiation with your petitioners relative to immigration, to which the present petition refers, was initiated by the Government, and pressed upon your petitioners. To a certain point it was carried on in the colony between the Honorable the Minister for Immigration and your petitioner, James Brogden (who had come over to New Zealand with a large and experienced staff, at the special request of the Honorable the Colonial Treasurer); but, being deemed by the latter an affair of too much importance to be undertaken without the concurrence of his partners, it was, in November, 1871, relegated to the Agent-General for the colony in England, on the part of the Government, and to the partners of your petitioners' firm, resident in England, on behalf of the firm. (See Parliamentary Papers, 1872, D. No. 1, pages 8, 9, and 10.)

5. On receipt by the Agent-General of his despatches from the colony on this subject, he opened a communication with your petitioners, Alexander and Henry Brogden, concerning it. Negotiations

followed, and the result was that, on the faith of the assurances referred to below, an instrument dated the 27th day of June, 1872, and expressed to be made between the Governor of New Zealand by the Agent-General, of the one part, and your petitioners of the other part, was executed by the Agent-General, on behalf of the Governor, and by your petitioners, by the hands of Alexander and Henry Brogden. This instrument is fully set forth in the Parliamentary Paper, 1872, D. No. 19*n*, and it purports that your petitioners will send out such a number, not exceeding 2,000 able-bodied men, besides wives and children, as the Agent-General shall require; that the Agent-General shall cause them to be conveyed to the colony, and the Governor will make all payments in respect of their conveyance; that the Governor will deal with them on their arrival in as beneficial a manner as other immigrants are received and dealt with on behalf of the Governor on arrival in the colony; that your petitioners will repay the Governor £10 in respect of every such adult immigrant, to be secured, with interest, by joint and several promissory notes of your petitioners in a given form, and with liberty to the Governor to deduct the amount of any due notes from any moneys payable by him to your petitioners in respect of any railway or other works executed by them; and that your petitioners might take from every adult immigrant a promissory note for a sum not exceeding £15 in payment of their passage-moneys, the extra £5 being intended to cover risk of non-payment and expenses of collection.

6. The scheme embodied in this instrument of the 27th June, 1872, was accepted by our petitioners, Alexander and Henry Brogden, entirely at the instance and upon the faith of the representations of the Agent-General, who from time to time communicated to them the urgent despatches of the Government on the subject of the paramount necessity of a prompt and continuous flow of from 8,000 to 10,000 immigrants into the colony (Parliamentary Paper, 1872, D. No. 1) and earnestly pressed upon them the resumption and completion of the treaty which had begun between the Minister in the colony and Mr. James Brogden. Acceding to the Agent-General's request, your petitioners intimated their willingness to assist the immigration schemes of the Government by some arrangement which should neither yield them any profit nor expose them to any loss; and they suggested that they should keep account of the moneys expended and the repayments received from immigrants, and that the accounts should be ultimately settled upon the terms of their being repaid actual outlay. In was in anticipation that such would be the basis of agreement between themselves and the Government that your petitioners, before the execution of the document, the 27th June, 1872, sent out between 600 and 700 immigrants and their families. But the Agent-General objected that there was no finality in such an agreement. At the same time, he vouched to your petitioners, Alexander and Henry Brogden, in the strongest possible manner, and as from his own actual personal experience, that the terms which were ultimately embodied in the document of June, 1872, would fully and effectually indemnify them from all loss; and they implicitly relying upon this assurance (which to them was invested with all the weight attaching to the *ex officio* utterance of a Government authority), and confiding entirely in it, executed the document in question, and proceeded to act upon it until, in the whole, they had despatched 1,290 able-bodied men, besides women and children, to the colony.

7. At the same time he also represented to them that the Government itself was dealing with immigrants on a similar footing of advancing the passage-moneys and taking promissory notes; that it was found a satisfactory course to the Government; that there were no difficulties in the way of recovering and enforcing these notes; that the law of arrest for debt prevailed in the colony and was effectual; and that other immigrants would be sent out by the Government upon very similar terms. These representations were received by your petitioners as authentic, and contributed to induce them to accept the deed of June, 1872, instead of the basis they had themselves desired.

8. Immediately after the execution of the deed, the Government began taking out their own immigrants in the same vessels with those of your petitioners upon other and more favourable terms, thus creating jealousy and discontent on the part of the latter. They then proceeded to vary the terms upon which they took out immigrants, and finally to grant entirely free passages to immigrants other than those of your petitioners, and so raised the feeling of the latter from one of discontent to one of accusation against your petitioners, whom they charged with defrauding them, and against whom every device to avoid payment of their promissory notes was deemed legitimate. The Government afterwards ceased to enforce the promissory notes of their own immigrants, thereby showing their estimate of the value of securities which your petitioners had been so strongly assured by the Agent-General to be effectual. At length every possible chance of recovery was extinguished by the repeal of the law of arrest for debt, yet the Government claimed to remain creditor of your petitioners, after having itself destroyed the security which, the Agent-General had assured them, was ample to protect them from loss.

9. In this state of things, and in consequence of the losses sustained by your petitioners through their endeavour to assist the immigration plans of the Government by the means provided in the deed of June, 1872, Mr. James Brogden, in October, 1872, at an interview with the Hon. the Minister for Immigration, claimed that the Government should relieve your petitioners from that deed. The claim was further urged in a correspondence between the Minister and Mr. James Brogden in October and November, 1872, and between the petitioners in England and the Agent-General on the 15th, 26th, 27th, and 28th May, the 12th June, and the 10th July, 1873. This correspondence is all set out *in extenso* in the appendix to the report of the Committee hereinafter referred to (see the Parliamentary Paper, 1873, I.-5, pages 19 to 22). The letter of the petitioners to the Agent-General of the 12th June, 1873, recapitulated the fact of the Government having originated the negotiations which resulted in the deed of June, 1872; the pressure put both by the Government and himself upon them to undertake it; their statements to the Agent-General at the time that they sought no profit, but desired to make no loss; the strong assurances of the Agent-General of the amplitude of the security against loss, and upon the faith of which assurance alone your petitioners entered into the deed; and many of those subsequent measures of the Government to which the defalcations of the immigrants, in spite of the assurances of the Agent-General, are to be traced.

10. To the statements of that letter of the 12th June, 1873, no contradiction has ever been offered by the Agent-General, either to your petitioners or to the Government; but they have for many years been acquiesced in, and are, therefore, to be taken as proved.

11. In their letter of the 10th July, 1873, to the Agent-General, already referred to (1873, I.—5), your petitioners showed that the amount in which their immigrants were indebted to them on promissory notes for the agreed rate of passage, and for nearly £11,500 advanced for kits, outfits, and sundries, was £39,874 13s. 9d. (including the extra £5 referred to in paragraph 5); and that, against the item for passage-money, your petitioners had given to the Government their own promissory notes for £18,240; and they proposed that they should be relieved from these latter promissory notes, and should transfer to the Government those of the immigrants, to enable the Government to collect them, and apply the moneys collected in reduction rateably of the passage-money and your petitioners' advances.

12. Your petitioners in August, 1873, presented a petition to the honorable the House of Representatives, praying inquiry into their case with a view to such relief as might be just. To that petition they ask now to refer.

13. The petition was referred to the Public Works and Immigration Committee, who heard evidence upon it, and made their report, dated the 24th September, 1873.

14. The report was to the effect that the petitioners prayed to be relieved from the loss to which they alleged they had been subjected under their immigration contract with the Government; that the Committee, having taken all the evidence that was available to them on the subject of the claims put forward in the petition, were of opinion "that the statements in the said petition were not substantiated;" that, "so far as they were able to judge," there was no good ground for such claim either in law or in equity; and that the Committee were, further of opinion that, "in the absence of proof," it would be a bad precedent to entertain claims founded upon vague allegations, and the admission of which would do away with all finality in a system of public contracts under written engagements.

15. Upon the consideration of the report, the opinion of the House was clearly to the effect that the Committee did not consider either the evidence submitted to them, or their decision, final and conclusive; and that the subject still lay open for further investigation. It further appears that the Agent-General's despatch of the 10th July, 1873, had been received, and was, or might have been, before the Committee. The early portion of this despatch is not printed, but your petitioners know that it recommends the Government to agree to the proposal in their letter; your petitioners are confirmed in this statement by a reference to the Agent-General's despatch on the same subject, dated the 5th May, 1874, in which, while giving additional reasons for adopting the proposals of the petitioners, he says, "In forwarding this letter, I can only refer the Government to my despatch of the 10th July, 1873, No. 502, in which I forwarded the proposals then made by the firm for an amicable settlement of their claims, and recommended it to the favourable consideration of the Government."

16. The conclusions reported by the Committee being therefore based on the want of sufficient evidence, the petitioners renewed the subject in a letter, dated the 25th March, 1874, addressed to the Agent-General (see Parliamentary Papers, 1874, D.—3A), recalling to his attention their letters of the 12th June and 10th July 1873;—again setting forth the state of accounts with respect to expenditure upon immigration; reiterating the history of the deed of June, 1872, and of the representations and assurances of the Agent-General which induced them to undertake it; and renewing their former claim for relief.

17. In the letter of the 25th March, 1874, your petitioners also quoted a memorandum of the Hon. E. Richardson, Minister for Public Works, to the Cabinet (No. 66, 1st April, 1873), which says, "The only thing which has kept the rates of labour from rising to rates ruinous to the various interests in the colony has been the shipment of so much labour by Messrs. Brogden." In fact (as the same letter states), out of the 1,299 able-bodied male immigrants introduced by your petitioners, there remained working for their firm at that date only 76. That number was afterwards reduced to 39, and ultimately to none. Practically, therefore, the whole number sent over by your petitioners violated their engagements to them under a sense of the disadvantage at which they were placed relatively to Government immigrants, and distributed themselves throughout the colony, working for other employers, and producing that benefit to the colony at the expense of your petitioners, which the Minister for Public Works has described in the above extracts.

18. Out of the 2,000 male immigrants and their families contemplated to be sent out by your petitioners, 1,877 statute adults, or 2,174 persons, were actually forwarded, and of these no less than 887, or 41 per cent., were women and children—a class much more valuable to the colony than to your petitioners. The changes in the terms of forwarding the immigrants by the Government occurred during the same period as your petitioners were so occupied, and continued after they finished, but the effect of the changes was really felt after the arrival of the immigrants in the colony, and when the time came for collecting the moneys for them.

19. It cannot be contended that your petitioners were reimbursed for loss under the immigration agreement by any allowance in the prices of their contract works; in confirmation thereof your petitioners refer to the answers made by the Engineer-in-Chief, Mr. Carruthers, before the Committee of the House.

20. In the year 1875 the Government retained out of the moneys due to your petitioners under their railway contracts the sum of £20,739 15s. 10d., and applied the same in payment of the passage-moneys of the immigrants and interest thereon.

21. Your petitioners cannot, and feel it was not intended that they should, accept the resolution of 1873 as a final decision. The Government, in their various immigration arrangements, have not charged to other immigrants more than £5 cash for the passage-money of each adult; and, where promissory notes for £10 or other sums have been given by immigrants (as an alternative for cash), the Government have not recovered the moneys under them to any appreciable extent, and have ceased to prosecute their claims. Finally, the principle of free immigration was adopted; but, on the other hand, your petitioners have been charged and made to pay £10 cash for each statute adult, amounting to upwards of £18,240, while the varying and more favourable terms granted to other immi-

grants since your petitioners executed the deed of June, 1872, have been amongst the principal causes of their disappointment and loss.

Your petitioners therefore humbly pray your honorable House that the case made by your petitioners in this petition may be considered by your honorable House, and that your honorable House may recommend that your petitioners may be compensated for the loss they have sustained in connection with the contract of the 27th June, 1872, or that such other relief be granted to your petitioners as your honorable House may in the circumstances deem just and proper.

ALEXANDER BROGDEN.

HENRY BROGDEN,

(By his Attorney, Alexander Brogden.)

JAMES BROGDEN,

(By his Attorney, Alexander Brogden.)

Wellington, New Zealand, 20th June, 1881.

## MINUTES OF PROCEEDINGS.

WEDNESDAY, 6TH JULY, 1881.

*Present :* Mr. Allwright, Mr. Kelly (Chairman), Captain Kenny, Mr. Murray, Hon. Mr. Richardson, C.M.G., Mr. Swanson, Mr. Turnbull.

The minutes of the previous meeting were read and confirmed.

Petition from Messrs. Brogden, claiming compensation for loss sustained under the immigration contract dated 27th June, 1872, was read.

Mr. Travers attended as counsel for the petitioners, and Mr. Bell for the Government.

Mr. Travers opened the petitioners' case.

The Committee then adjourned, having agreed to resume this case on Friday next, the 8th July, 1881.

FRIDAY, 8TH JULY, 1881.

*Present :* Mr. Allwright, Mr. Andrews, Mr. Barron, Hon. Mr. Dick, Mr. Kelly (Chairman), Captain Kenny, Mr. Murray, Hon. Mr. Richardson, C.M.G., Mr. Swanson, Mr. Turnbull.

The minutes of the previous meeting were read and confirmed.

Mr. Travers and Mr. Bell were present.

Mr. A. Brogden, M.P., attended, and was under examination.

The Committee adjourned, after agreeing to take this case again on Wednesday next, the 13th July, 1881.

WEDNESDAY, 13TH JULY, 1881.

*Present :* Mr. Allwright, Mr. Barron, Hon. Mr. Dick, Mr. Kelly (Chairman), Captain Kenny, Mr. Murray, Hon. Mr. Richardson, C.M.G., Mr. Turnbull.

The minutes of the previous meeting were read and confirmed.

Mr. Travers and Mr. Bell were in attendance.

Mr. Brogden's examination continued.

Mr. Bell asked to be excused attending on Friday

The Committee then adjourned, having agreed to resume this case on Friday next, the 15th July, 1881.

FRIDAY, 15TH JULY, 1881.

*Present :* Mr. Allwright, Mr. Barron, Hon. Mr. Dick, Mr. Kelly (Chairman), Captain Kenny, Mr. Murray, Hon. Mr. Richardson, C.M.G., Mr. Swanson, Mr. Turnbull.

The minutes of the previous meeting were read and confirmed.

Mr. Brogden's examination completed.

The Committee then adjourned, having agreed to take this case on Wednesday next, the 20th July, 1881.

WEDNESDAY, 20TH JULY, 1881.

*Present :* Mr. Allwright, Mr. Barron, Mr. Kelly (Chairman), Captain Kenny, Mr. Murray, Hon. Mr. Richardson, C.M.G., Mr. Swanson, Mr. Turnbull.

The minutes of the previous meeting were read and confirmed.

Mr. Cave and Mr. Bell were present.

Mr. J. Lawson attended and gave evidence.

Mr. J. Billing attended and gave evidence.

R. Summers, E. Hibberd, and W. Thacker (immigrants introduced by Messrs. Brogden) attended and gave evidence.

The Committee then adjourned, having agreed to take this case on Wednesday next, the 27th July, 1881.

WEDNESDAY, 27TH JULY, 1881.

*Present :* Mr. Allwright, Mr. Barron, Hon. Mr. Dick, Mr. Kelly (Chairman), Captain Kenny, Mr. Murray, Hon. Mr. Richardson, C.M.G., Mr. Turnbull.

The minutes of the previous meeting were read and confirmed.

Hon. Mr. Hall, Hon. Mr. Gisborne, Hon. Mr. Waterhouse, and Sir Maurice O'Rorke attended and gave evidence.

The Committee then adjourned, having agreed to take this case on Thursday, the 4th August, 1881.

#### THURSDAY, 4TH AUGUST, 1881.

*Present*: Mr. Barron, Hon. Mr. Dick, Mr. Kelly (Chairman), Captain Kenny, Mr. Murray, Hon. Mr. Richardson, C.M.G., Mr. Turnbull.

The minutes of the previous meeting were read and confirmed.

Mr. Bell stated the case for the Government.

Hon. Mr. Richardson, C.M.G., was examined.

The Committee then adjourned, having agreed to resume the case after the evidence was in print and in the hands of the Committee.

#### FRIDAY, 9TH SEPTEMBER, 1881.

The Committee met pursuant to notice.

*Present*: Mr. Allwright, Mr. Barron, Hon. Mr. Dick, Mr. Kelly (Chairman), Captain Kenny, Mr. Murray, Hon. Mr. Richardson, C.M.G., Mr. Turnbull.

The minutes of the previous meeting were read and confirmed.

Printed copies of the evidence and appendix were distributed to each member of the Committee.

*Resolved*, That matters referring to immigration in the letters put in by the petitioners be printed in the Appendix to Evidence, and that letter No. 15 from James Brogden to Messrs. Brogden, of the 25th November, 1871, be inserted in full.

The Committee proceeded to consider petitioners' claim.

Moved by Mr. Turnbull, That relief be granted to Messrs. Brogden in respect of their emigration contract, so as to put the charges for passages on the same footing as other immigrants have been charged who paid cash, viz.:—

1877 emigrants, at £5	..	..	..	..	£9,385
Interest at 6 per cent.	...	..	..	..	1,245
					<u>£10,630</u>
Less—Recoveries	...	..	...	..	£1,040
600 men, at £5	..	..	..	..	3,000
Interest	...	..	..	..	620
					<u>4,660</u>
					<u>£5,974</u>
One-third transhipment charges	..				256
					<u>£6,230</u>

Mr. Barron moved, by way of amendment, That all the words after "that" be omitted, for the purpose of inserting the following words, namely, "the Committee are of opinion the petitioners have no claim against the colony."

The question was put that the words proposed to be omitted stand part of the question.

The Chairman declared the "Noes" had it. A division being called for, the Committee divided:—

*Ayes*, 1.—Mr. Turnbull.

*Noes*, 6.—Mr. Allwright, Mr. Barron, Hon. Mr. Dick, Captain Kenny, Mr. Murray, Hon. Mr. Richardson, C.M.G.

The words were therefore omitted.

The question was then put, That the following words be inserted, "The Committee are of opinion the petitioners have no claim against the colony."

The Chairman declared the *Ayes* had it. A division being called for, the Committee divided:—

*Ayes*, 6.—Mr. Allwright, Mr. Barron, Hon. Mr. Dick, Captain Kenny, Mr. Murray, Hon. Mr. Richardson, C.M.G.

*Noes*, 1.—Mr. Turnbull.

The words were therefore inserted.

The question was then put, That the motion as amended be agreed to, namely, "That the Committee are of opinion the petitioners have no claim against the colony."

Which was carried in the affirmative.

The Committee then adjourned.

#### WEDNESDAY, 14TH SEPTEMBER, 1881.

*Present*: Mr. Allwright, Mr. Andrews, Mr. Barron, Hon. Mr. Dick, Mr. Kelly (Chairman), Mr. Murray, Mr. Turnbull.

*Resolved*, That the Chairman be directed to report the resolution and evidence on the petition of Messrs. Brogden to the House.



## MINUTES OF EVIDENCE.

WEDNESDAY, 6TH JULY, 1881.

No. 67.—Petition of ALEXANDER BROGDEN and Others.

Messrs. W T L. Travers, and C. W. Cave, appeared to conduct the proceedings on behalf of the petitioners, and Mr. H. D. Bell was present on behalf of the Government of New Zealand.

*The Chairman:* The Committee have decided to hear the counsel for the petitioners in this case, and also to take the evidence of any witnesses whom he may desire to call in support of their petition. Mr. Travers may therefore make a statement if he wishes to do so.

*Mr. Travers:* I appear on behalf of the Messrs. Brogden, in support of the petition which they have presented to the House of Representatives, and which has been referred to this Committee. Before calling your attention to the evidence which the petitioners propose to adduce, I may, perhaps, be permitted to refer to circumstances which occurred both anterior and subsequent to the immigration arrangements which have resulted in this proceeding. After Sir Julius Vogel had proposed his scheme of public works to the Parliament of the colony, and after it had been adopted, he proceeded to England—presumably with the view of ascertaining in what manner it could best be carried into effect. Whilst there, he entered into communications with the Messrs. Brogden; the result being that certain contracts were entered into, dependent, however, upon their ratification by the General Assembly. But Messrs. Brogden, taking Sir Julius Vogel's official position into consideration, and naturally conceiving that any arrangement which he had made would be agreed to by his colleagues and ratified by the Legislature at once, at his suggestion, sent out a staff of engineers and other skilled persons, and invested money in plant, and, in fact, did in other respects what would be necessary to start a large scheme of public works. Mr. James Brogden, one of the members of the firm of Brogden and Sons, came out to the colony in 1871, only to find that Parliament, advised by the Government of which Mr. Vogel was the leading member, had not thought fit to ratify either of the contracts which had been made with them. The Assembly, however, feeling that this involved an injustice, determined to give Messrs. Brogden the construction of works to the value of £1,000,000. The specific contracts for these works were not entered into until August, 1872; but, in the meantime, some works were being carried on at Auckland under a provisional arrangement. Shortly after the arrival of Mr. James Brogden, negotiations were opened by the Government with him with reference to a scheme of immigration. There is one thing which I wish to call the attention of the Committee to particularly, at this point, and that is, that this immigration matter had no connection whatever with the arrangements for the construction of railways. The one thing was entirely independent of the other. The contracts were entirely separate. It is important to bear this in mind, because it was suggested on a former occasion, that, in the contracts for works, some allowance had been made for possible losses in connection with the immigration contract. In effect, we wish the Committee to understand that we treat this matter as entirely dissociated from the contracts for works entered into, whether then, in 1872, or with any other subsequent contracts. Now, this question of immigration was intimately associated with the Public Works scheme, for it was felt that any attempt to carry out that scheme would be attended with serious effects, resulting from the certain disturbance of the labor market, unless provision was made to meet this by means of emigration. Indeed, at that time, the colony was not in such a state as to warrant the construction of the class of works proposed, without providing simultaneously for the immigration of people in large numbers. I intend to put in, as evidence in this case, all the papers and documents bearing on the subject of the petition; but I propose to call the attention of the Committee specifically only to those parts of the documents which have the most direct bearing on the case of the petitioners. I will, in the first place, call the attention of the Committee to certain passages in the correspondence, which took place between members of the Government and others at the time when the Public Works scheme was in what may be called its "fullest swing." The Hon. Mr. Gisborne (who was then a member of the Government), in a memorandum dated the 25th November, 1871, refers to the necessity of immigration in connection with the carrying out of public works, as follows:—

I need not inform you that the public works which it is intended to construct will absorb, beyond the ordinary labour of the colony, a large amount of imported labour for a considerable period; and very serious inconvenience to existing industries, not to mention great additional expense in carrying out the proposed works, would be occasioned, if for some time there was not a continuous flow of labour into the colony.

You may deduct from the number stated in the attached list those immigrants whom you have, since your arrival in England, sent out or engaged to send, under the regulations already in your possession. The number stated in the list is to be independent of the immigrants to be sent out under arrangements with Messrs. John Brogden and Sons, particulars as to which will be separately addressed to you, and that number also to be independent of those whom you may send out under nomination by persons already in the colony.

The Minister then goes on to state how many immigrants he wishes to arrive in the colony in the year 1872, and he says: "Half of that number I desire that you will cause to be forwarded with the least possible delay. You may deduct from the number stated in the attached list those immigrants whom you have, since your arrival in England, sent out, or engaged to send, under the regulations already in your possession. The number stated in the list is to be independent of the immigrants to be sent out under arrangements with Messrs. John Brogden and Sons, particulars as to which will be separately addressed to you, and that number also to be independent of those whom you may send out under nomination by persons already in the colony." You will see by this that the Minister requires that no fewer than 8,000 statute adults shall be brought out to the colony, exclusive both of nominated

emigrants and of those who might be brought out by Messrs. Brogden. Again, on the 23rd December, 1871, in a memorandum to the Agent-General, Mr. Gisborne says:—

The memoranda which have been addressed to you by previous mails will have informed you of the desire of the Government that emigration to New Zealand should be prosecuted with the utmost vigour, and they hope shortly to learn that you have been equally successful in making arrangements for the introduction of a large and continuous flow of emigrants from the United Kingdom. The necessity of this immigration, always imperative as a part of the general policy of the Government, is now still more so in consequence of the arrangement entered into with Messrs. Brogden and Sons for the immediate commencement of several of the railways authorized last session, and the intention of the Government to submit others to public competition as early as they can safely do so without deranging the labour-market. To this end you have already been left free to make such terms as to passage as shall in your judgment be sufficient to insure that supply of labour which the Government have indicated, and they confidently rely on your using every exertion to carry out the spirit of the instructions on this subject which have been from time to time communicated to you.

There is, as the Committee will observe, a remarkable passage in that memorandum, to which I would specially invite their attention, and that is, that the Agent-General was left absolutely free to make such terms with regard to passages, &c., as he thought fit, in order thereby to insure the sending out of the very large number of immigrants that the Government required. On the 20th January, 1872, Mr. Gisborne wrote to the Agent-General as follows: "Of the regulations issued in reference to nominated immigration, or that immigration which originates in the colony, I enclose a copy; but, as you are already aware, the Government have for the present, in the absence of the information necessary to guide them, devolved upon you the initiation of a uniform system of assisted immigration, or that immigration which originates in Europe." That also shows that the Government of the day found it necessary to give the Agent-General the largest powers, so far as the cost of bringing out the immigrants was concerned. Very soon after the arrival of Mr. James Brogden in the colony, I think in October, 1871, the Government urged Mr. James Brogden to arrange with them for carrying on a scheme of immigration; but, although a draft agreement was prepared, the arrangements were never concluded, as Mr. James Brogden thought it a matter which should be referred to his firm at Home. Whatever might have been the reasons which actuated him in breaking off negotiations, they were broken off, and the matter was remitted to England. In his memorandum of the 8th February, 1872, the Agent-General says:—

I have the honor to acknowledge receipt of memorandum No. 56, of the 25th November, 1871, relative to the contract which it was thought the Government would be able to arrange with Messrs. John Brogden and Sons, for sending to New Zealand a certain number of emigrants, but which contract (a copy of which I have received) has not been arranged. You request me, in consequence, to endeavour to come to some arrangement with the members of the firm in London. In reply, I beg to inform you that, in the interview of a few minutes which I had two days ago with the Messrs. Brogden, they expressed their readiness to discuss the matter at an early date; they left, however, an impression on my mind that they were not disposed to enter into any emigration contract. At the same time, I am satisfied that they could and would afford valuable aid in procuring emigrants.

I may here state, parenthetically, that the petitioners wish it to be understood that they do not impute wilful misrepresentation to any member of the Government, or any of their officers, in connection with this matter. They do not pretend to say that any information was wilfully kept from them with any intention to deceive them. On the 7th March, the Agent-General sends out a memorandum to the following effect:—

I have the honor to inform you that, although I have had several interviews with the Messrs. Brogden, on the subject of the proposed emigration contract, I have not yet arrived at any definite understanding with them. Messrs. Brogden are, in fact—owing to the non-arrival of the December mail—so entirely without advices from Mr. James Brogden, that they scarcely feel themselves in a position to enter into any arrangement. I have, however, reason to believe that on the arrival of the mail they will be prepared to agree to the proposals submitted to Mr. James Brogden, with certain modifications. In the meantime they are engaging a considerable number of men, on terms which appear to me fair and reasonable. They hope to send out 150 by the "Schiehallion," which will sail for Wellington on the 27th instant.

It will be observed that, although no definite arrangement had been come to, the Messrs. Brogden had agreed to commence sending out emigrants, upon the general terms that they should neither be gainers nor losers by so doing. That is to say, they were to make no profit out of the transaction, nor were they to sustain any loss. It was distinctly understood that the Messrs. Brogden were not to suffer any loss; and they were expected to make no profit by the transaction. In a letter dated 4th April, 1872, to Mr. James Brogden, from his firm in England; they say:—

Mr. Noble has written to you about our efforts and success in this matter. I will confine myself to state the position of the negotiations. After receiving the copy of the agreement which it was proposed you should enter into, we discussed the question several times with Dr. Featherston, and, as I mentioned in my last letter, he proposed that the Government should pay the passage, and we repay them by instalments, less 25 per cent. to cover loss, which the Government would bear. We have proposed and arranged verbally with the Agent-General that we act upon these terms, keeping a strict ledger account of the cost actually incurred in the emigration; and we will see how the account rectifies itself by the repayments recovered from the men's promissory notes; and, if any modification of the arrangement is applied for, it must be justified by a reference to the accounts, the intention being that we are to be reimbursed the cost, but not to make profit or suffer loss by it.

This sufficiently shows that the petitioners entered into the matter on the understanding that they were not to make any profit or sustain any loss. On the 18th April, the Agent-General informs the Hon. Mr. Gisborne of the sailing of the first ship (the "Schiehallion"), sent by Messrs. Brogden, with emigrants for New Zealand. At that time the Messrs. Brogden were not engaged in carrying out works under definite authority, and, therefore, had not the same opportunity of employing the immigrants that they had after the contracts were entered into in August, 1872. On 2nd May, 1872, the Agent-General notifies that an arrangement has been made, and that he hoped to be able to send particulars by the next mail. On the 6th June, 1872, Mr. Ormond, then a Minister, wrote a memorandum to the Agent-General as follows:—

Referring to the arrangement proposed by the Government to Mr. James Brogden, in Wellington, as fully advised in the memorandum of 25th November, No. 56-71, and to your letter of the 2nd May, No. 256-72, reporting the arrangement you had effected with Messrs. Brogden and Sons, in London, I am informed that in consequence of neither of them being satisfactory to Mr. James Brogden, that gentleman has resolved to telegraph to his firm by this opportunity, that the existing agreement is so unfavourable, as compared with the arrangement with which each emigrant might make for himself under the Home regulations, that it cannot be continued, and that he has not now time for a fresh arrangement with the Government before the departure of the present mail.

It must be remembered that at that time Mr. James Brogden had been in the colony for seven or eight months, and, consequently had become acquainted with the fact that considerable difficulty was



experienced in getting in the money for the promissory notes, which had been given by the immigrants brought to the colony both by the General and the Provincial Governments. He had always been led to believe, however, by his advices from England, that the arrangement with his firm would be on the basis that while his firm was not supposed to make any profit, it was not to sustain any loss. No sooner, therefore, had he become acquainted with the terms of the agreement of June, 1872, than he at once communicated to the Government his disapproval of it, and remonstrated against it. It was impossible, of course, for Mr. James Brogden to have caused any alteration in the arrangements made by his firm in London, because he was off his guard, and knew nothing of the nature of the arrangements until they had been completed; but, when once aware of them, he at once communicated to the Government and to his firm in England his disapproval of them, and intimated to the former his feeling that his firm ought to be relieved from them. The fact is that the agreement was one of an oppressive character, as far as Messrs. Brogden were concerned. They felt that they had considerable grounds for dissatisfaction, and brought this under the notice of the Government; and the Government seemed to think that the best course they could adopt would be to refer the matter to the Agent-General, in order that he might advise them. Accordingly, in the year 1872, the Hon. Mr. Waterhouse, in the absence of the Minister for Immigration, forwarded to the Agent-General the following letter:—

Herewith are forwarded for your information copies of a correspondence that has passed between the Messrs. Brogden and the Government, with reference to their immigration contract of the 27th June, 1872. The Government have invited the Messrs. Brogden to place themselves in immediate communication with you, and have promised to favorably consider any suggestion or recommendation you may make on the subject.

The correspondence which was enclosed with that letter consisted of three letters, two of which are from Mr. James Brogden to Ministers, and one from Ministers to Mr. James Brogden. The first is written by Mr. James Brogden, and is dated 28th October, 1872. It is as follows:—

Having reference to our conversation on Saturday last, I have now the honor to submit in writing the proposition which I then made. It is that the Government should at once relieve my firm of all further obligations (if any) under the contract of 27th June, 1872, and that the Government should repay to us all actual outlay incurred by us in connection with that contract, we indorsing to the Government the promissory notes given to us by the immigrants, and undertaking to aid the Government as far as we can in recovering the amounts payable under those notes. I need not repeat in writing the reasons which I urged why the Government should adopt this course. Should the Government consent to it, I shall be willing, on the part of my firm, to enter into arrangements with the Government for obtaining emigrants in England; but I think it inexpedient to propose terms for that service, which had perhaps better be discussed after the Government have signified their determination in regard to the matter in the former part of this letter. This letter is, of course, without prejudice.

Had the Government acted in accordance with the suggestions made in that letter they would have suffered no loss, and the Messrs. Brogden would not have been in the position they are now in. Further on, Sir G. M. O'Rorke, as Minister for Immigration, wrote as follows:—

I have the honor to acknowledge the receipt of your letter of the 28th ultimo, in which you propose that the Government should at once relieve your firm of all further obligations (if any) under the immigration contract of 27th June, 1872, and that you should be repaid the actual outlay incurred in connection with that contract; the promissory notes given by the immigrants being indorsed to the Government, and your firm undertaking to assist in recovering the sums due under those promissory notes. In reply, I have to express to you the regret of the Government that, after the gravest consideration, they find themselves unable to meet your views so far as to relieve the firm from their liabilities in connection with the conduct of immigration under the agreement referred to; but I may state that, so far as regards modification in the terms of the contract, as respects future operations, favourable consideration will be given to any suggestion or recommendation which may be made by the Agent-General, with whom, upon the subject, your firm are invited to place themselves in immediate communication.

On 4th November, 1872, after receiving the letter from Sir G. M. O'Rorke, Mr. James Brogden addressed the following further letter to the Minister for Immigration:—

Having reference to our recent correspondence respecting the immigration arrangements of the 27th June, 1872, I desire especially to put upon record one of the grounds upon which I, at several interviews, urged the Government to relieve my firm from their obligations (if any) under it—namely, that it places the immigrants in a far worse pecuniary position than those who are introduced under the ordinary Immigration Regulations of the Government, while it also places my firm in the invidious position of endeavouring to enforce, upon such of them as we may be desirous of employing, conditions more unfavourable than those under which we can employ other persons of the same classes. This letter must, however, not be treated as any recognition on my part of any obligation under the arrangement above referred to.

The Hon. Mr. Waterhouse, on the same date, refers in very strong terms to the fact that a far less number of immigrants had arrived than had been arranged for. In the memorandum No. 19, of the year 1872, the Hon. Mr. Waterhouse says:—

As regards the supply of immigrants generally, the Government cannot avoid a feeling of apprehension, almost amounting to certainty, that the number which it was desired should be introduced in course of 1872 will not arrive within the specified time. Under date, 25th November, 1871, instructions were given for the introduction within the year 1872 of 8,000 immigrants, exclusive of nominated immigrants and of those to be introduced by Messrs. Brogden. Although so near the termination of the year, only 3,116½ statute adults have arrived, and we have advices of only 469 more being on the way out—making a total of 3,585½ statute adults. But of these 958½ are nominated immigrants and Brogden's people, leaving a balance of only 2,627 immigrants as against 8,000 ordered. Doubtless, this number will be increased by the arrival of one or more of the vessels to sail after the date of the last advices. There seems, therefore, no possibility that the number of immigrants arriving in the course of the present year will be at all equal to the number which were considered requisite, for the forwarding of which instructions were given under the date quoted.

On 21st December, 1872, Messrs. Brogden addressed a letter to the Agent-General, as follows:—

In fulfilment of the letter of our agreement with you relative to New Zealand emigrants, we have the honor to hand you our promissory notes for passage-money disbursed by you to the 19th November, 1872. But while we thus unreservedly fulfil the letter of the agreement, we have to represent to you that we are likely to sustain very great loss in the transaction. Our agents in New Zealand inform us that great numbers of the men whose passage-money we thus secure deserted on arrival in port, and it will be extremely difficult, even if at all possible, for us to recover from them our advances for passage-moneys and kits. Nothing is included in our prices for works to cover that contingency. Not only, then, is our object for securing men for the execution of our works defeated, but our expenditure is thrown away and becomes dead loss; while the New Zealand Government, whose object is immigration, for all purposes, secures the distribution of a number of able-bodied men through the colony at our expense. Under these circumstances, and seeing that in accepting your form of agreement we relied mainly upon your long experience, and on your opinion that the margin between the amount to be paid by us and the amount charged to the emigrants would amply protect us from any loss, we trust to your supporting any representations we may have to make to the Government hereafter, by way of appeal to them, to make allowance to us for any losses we may ultimately sustain by the transaction.

With that letter, as will be observed, the Messrs. Brogden handed over the promissory notes referred to in the petition. By the terms of the contracts for works, there was power given to the

Government to deduct from any moneys they had to pay to Messrs. Brogden the sums due on their promissory notes. After they had sent that letter, Messrs. Brogden did not send out any more emigrants. But Messrs. Brogden gave the promissory notes under protest, and with the view of inducing the Government to recommend that they should not be enforced. As I have already said, the petitioners do not wish to impute anything like wilful misrepresentation to any member of the Government; but, at the same time, they allege that there was misrepresentation, and that they suffered loss in consequence. I will repeat that, they were acting throughout on the supposition that they should neither make any profit nor sustain any loss out of this emigration matter. It will be remembered that Messrs. Brogden not only paid the passage-money of the immigrants, but also advanced money for the purchase of their kits. However, they do not claim anything from the Government on that account—they simply ask the Committee to take the fact into consideration. There is a further point on which the petitioners do not think the Government have acted fairly, and that is, that they have declined to furnish them (the petitioners) with the copy of a document which would, or might, have the effect of inducing the Committee to report in favour of the petitioners. It appears that the Agent-General did consider the matters submitted to him by the Government; and it appears, also, that he forwarded to the Government some recommendation; but that recommendation was not brought before the last Committee, nor has it been open to us. The recommendation I refer to is contained in a letter written by the Agent-General to the Government on 10th July, 1873. We now ask the Committee to procure a copy of that letter. On 8th April last, an application was made to the Government for a copy of that letter. The application was as follows:—

SIR,—

Wellington, 8th April, 1881.

We have the honor to request to be furnished with a copy of a letter from the late Agent-General (Dr. Featherston) to the Government, dated 10th July, 1873. That letter related to our immigration agreement with the Government, and was read over to us in London. We wish to refer to it, and now ask for a copy to insure accuracy.

We have, &c.,

The Hon. the Minister for Immigration, Wellington.

JOHN BROGDEN AND SONS.

To this letter the Government sent the following reply:—

GENTLEMEN,—

Immigration Office, Wellington, 20th April, 1881.

I have the honor to acknowledge the receipt of your letter of the 8th instant, applying for a copy of a letter which was written to the Government by the late Dr. Featherston, as Agent-General for the colony in London, on the 10th July, 1873. And in reply to inform you that, as litigation is pending between your firm and the Government, the Cabinet does not feel justified in supplying you with a copy of the letter in question.

I have, &c.,

W ROLLESTON,

Minister for Immigration.

Messrs. J Brogden and Sons, Wellington.

I wish now shortly to call the attention of the Committee to the circumstances under which immigration was carried on in those days. It is clear that Government thought it advisable to leave all arrangements financial and otherwise in connection with immigration to the Agent-General, the principal object of the Government being to get out as many persons as possible. In proof of this I could quote several statements of Ministers and others.

I will give you one. On the 1st April, 1873, the Hon. Mr. Richardson (who was always very careful in expressing an opinion on any of these subjects) says, in a memorandum:—

In the despatches to be sent home to the Agent-General by the outgoing mail, I think it is absolutely necessary that the Agent-General's attention should be specially directed to the present state of the labour-market in New Zealand, and that he be informed that, with the full expectation that the number of emigrants which he has been instructed to send out will be forwarded during the coming season, the Government have entered into contracts which will provide employment for these immigrants, and that he be instructed, by return mail, to inform the Government whether he will be able to send out anything approaching the number asked for, as, if not, it will be necessary, by the time the Agent-General's replies arrive, to take steps, by retarding the works or otherwise, to prevent the serious disturbance of the labour-market, which will inevitably occur in the colony during next summer, when the shearing and farming season comes round. The only thing which has kept the rates of labour from rising to rates ruinous to the various interests in the colony, during the season just ended, has been the shipment of so much labour by Messrs Brogden; and, as it appears that they have ceased sending men out (at least for the present), it is all the more necessary for the due carrying out of the public works that the emigrants ordered should be sent out, and imperatively necessary that the Government be reliably informed at the earliest possible date of the capability or otherwise of the Agent-General to comply with their instructions.

The fact is, that at that time, the Public Works scheme being full swing, it was considered desirable that as many immigrants as possible should be introduced into the colony. But, in comparison with the immigrants sent out by the Agent-General, those who were sent out by the Messrs. Brogden were placed under a great disadvantage, because they were compelled to pay £5 or £6 more for their passage-money, and when they arrived here they stood no better chance of obtaining employment, for the simple reason that there was abundance of employment for everybody. Amongst other things, in this connection, which caused loss to the petitioners, was the carriage of the immigrants from one port to another, or, in other words, from the place where they were landed to the places where they were wanted. I shall not detain the Committee any longer, but merely repeat that the petitioners consider that they have a fair claim upon the colony for the loss they have sustained, and at the next meeting I will bring forward evidence in support of that claim.

8TH JULY, 1881.

Messrs. W T. L. Travers and C. W. Cave appeared on behalf of the petitioners, and Mr. H. D. Bell for the Government.

MR. ALEXANDER BROGDEN, examined.

1. *Mr. Travers.*] You are a partner in the firm of John Brogden and Sons?—Yes.
2. And, on behalf of your firm, you have prepared and presented the petition which is now before this Committee to the House of Representatives?—Yes.
3. You have acted in this matter with the sanction of your partners?—Yes.
4. The first three clauses in the petition relate to provisional contracts entered into with Sir Julius Vogel in connection with railway works?—Yes.
5. When?—In the year 1871 we were authorized to construct works to the value of £4,000,000.

6. Are the contents of the first two paragraphs correct, in substance?—Yes.

7 Mr. James Brogden is one of your partners?—Yes.

8. And he followed Sir Julius Vogel to this colony in 1871?—He did. He arrived in New Zealand in October, 1871

9. And he found that the House of Representatives declined to give effect to the arrangements which had been made by Sir Julius Vogel?—Yes; the House of Representatives would not agree to carry out the arrangements which had been made with Sir Julius Vogel.

10. The arrangement made in December, 1871, was a suspensory one?—It was.

11. I believe you have been informed by your brother, Mr. James Brogden, by correspondence and otherwise, that shortly after his arrival in this colony the Government opened negotiations with him with regard to immigration?—Yes. I was informed also by the Agent-General, Dr. Featherston, that some arrangement had nearly been come to with regard to immigration between the Minister for Immigration and Mr. James Brogden.

12. And that was confirmed by the Agent-General's letter to the Colonial Secretary of New Zealand, which letter is dated 8th February 1872 ["I have the honor to acknowledge receipt of memorandum No. 56, of 25th November, 1871, relative to the contract which it was thought the Government would be able to arrange with Messrs. John Brogden and Sons, for sending to New Zealand a certain number of emigrants, but which contract (a copy of which I have received) has not been arranged. You request me, in consequence, to endeavour to come to some arrangement with the members of the firm in London. In reply, I beg to inform you that in the interview of a few minutes which I had two days ago with the Messrs. Brogden, they expressed their readiness to discuss the matter at an early date: they left, however, an impression on my mind that they were not disposed to enter into any emigration contract. At the same time I am satisfied that they could and would afford valuable aid in procuring emigrants."]?—Yes.

13. Is it a fact that immediately after that negotiations were opened by the Agent-General with your firm in London?—Yes; the Agent-General informed me that the negotiations which had been going on in New Zealand had been transferred to England, to be conducted there by him and my firm. A draft agreement was enclosed in the letter of the Minister to him. It is published in the Blue-book, D.-1, of 1872, page 11. That is the draft agreement which was subsequently brought under my notice. The Agent-General at the same time showed me the despatch of 25th November, 1871. The letters are Nos. 7 and 8 of D.-1, 1872, pages 8 and 10.

14. You had interviews with Dr. Featherston in December, 1871?—Yes, we had frequent interviews, because we were both ignorant as to the arrangements which had been made with regard to the railway contracts.

15. And you had some brief interviews with regard to the immigration contracts?—Yes, in a letter dated 8th February, 1872, Dr. Featherston says: "In the interview of a few minutes, ' &c. [See letter printed in Question No. 12.]

16. And prior to 7th March you had a number of interviews with Dr. Featherston?—Yes, I had several interviews with him, but I cannot remember how many

17 In a letter to the Colonial Secretary dated 7th March, 1872, the Agent-General says: "I have the honor to inform you that, although I have had several interviews with the Messrs. Brogden on the subject of the proposed emigration contract, I have not yet arrived at any definite understanding with them. Messrs. Brogden are, in fact—owing to the non-arrival of the December mail—so entirely without advices from Mr. James Brogden, that they scarcely feel themselves in a position to enter into any arrangement. I have, however, reason to believe that on the arrival of the mail they will be prepared to agree to the proposals submitted to Mr. James Brogden, with certain modifications. In the meantime they are engaging a considerable number of men on terms which appear to me fair and reasonable. They hope to send out 150 by the 'Schiehallion,' which will sail for Wellington on the 27th instant."—Yes; and I may say that by that mail we got no letters bearing on the subject from Mr. James Brogden, Wellington; but at that time we were commencing to engage men although no arrangement had been made, but upon the faith of our coming to some arrangement eventually. It is quite evident, from the despatches which were sent to Dr. Featherston, that immigration into the colony was not progressing as satisfactorily as was desired by the Government; consequently we gave assistance to him in selecting immigrants for the colony.

18. Dr. Featherston, in his letter, says: "In the meantime they are engaging a considerable number of men on terms which appear to me fair and reasonable?" Yes; but there were no definite terms as between ourselves and the Agent-General. The general understanding was that we were to give the Agent-General all the help we could, but at the same time in doing so we were not to sustain any loss nor make any profit. First of all we were under the impression that we should have to pay the cost of sending out immigrants, and provide for it by adding to the cost price of the works which were to be given to us to execute, but we got very early information of the fact that the amount voted for each line of railway which the Government were authorized to construct was less than the amount which the lines would cost. By the March mail I wrote to my brother, Mr. James Brogden, as follows: "We shall continue to send out emigrants until the number you mention is reached. Unfortunately your letter did not convey to us the idea that we had to take up the negotiations with Dr. Featherston, or that there had been such an advance in the negotiations with you as the preparation of draft agreements. We shall arrange with Dr. Featherston on the basis of our undertaking the liability of the passage-money with the Government much in the same way as proposed in the draft agreement, covering ourselves with engagements with the men, and stipulating also that in the 'cost-price' of the works there shall be added a sufficient sum to cover loss from defaulting persons. The Government will have to advance the money and be repaid by instalments, and we shall deduct a proportionate part of the weekly wages under our formal engagement; and have also in the prices an allowance for the loss which will probably occur. This item of 'cost' must be settled by you and Henderson, and should be added as the losses occur. The draft form of engagement of the men has been hurriedly prepared, and was copied without having been finally read over. In

the passage relating to the fixing of wages the expression occurs, 'The Governor of the colony as a referee.' This Dr. Featherston thinks is not right, as the Governor may not like such a duty and we have yet to fix the referee; also the engagement will be for two years' work, unless the final amount is repaid, and we engage to find work for two years." That letter was written on 7th March, 1872, by my firm in London to Mr. James Brogden in this colony. Negotiations were continued, and on the 4th April, 1872, the Agent-General wrote to the Colonial Secretary as follows: "Sir, I have the honor to inform you that no arrangement has been come to in respect to the emigration to be conducted by the Messrs. Brogden. My proposal to them is, that they should take promissory notes from the emigrants to the amount of £16 per statute adult, and that they should give to the Government their own promissory notes for £12 per statute adult, payable over a period to be agreed upon. This allows them a nominal profit of 25 per cent. to cover their risk of recovering the whole amount of the promissory notes given to them by their emigrants. But they demur to this, and intend sending in a counter-proposal, which will (I gather from the conversations I have had with them) be to this effect: They will take promissory notes from the emigrants for £16 per statute adult; will make certain specified reductions per diem from the wages of the emigrants employed by them; will pay over all such recoveries to the Government; and the Government shall reap the profit or bear the loss of such a transaction. Until I receive their counter-proposal it is useless to discuss it. I may, however, at once state I am not disposed to accept it, if it be such as I have represented. There is no finality about it, and such conditional engagements are, to my mind, pregnant of future disputes." Believing that our agreement with the Agent-General would be arrived at we continued sending out immigrants. We told Dr. Featherston that we had no experience ourselves with regard to the collection of the amounts due on promissory notes given by immigrants. We knew nothing of the state of the law relating to the collection of small debts, and, consequently, we did not know whether there would be any difficulty in getting back our money. Owing to our want of knowledge on this subject we were unable to judge what would be considered a fair arrangement. We, in England, were bound to consider that the arrangement proposed to Mr. James Brogden by the Government in Wellington would be a tolerably reasonable one, upon which there might, possibly, be some loss, but not approaching an entire loss; and, in addition to that, we had the more favourable proposal of Dr. Featherston that he would take off 25 per cent. from the promissory notes, and we considered that, by acceding to the terms proposed, if we reduced the payments again below the amount that was proposed, we should increase the margin to cover the risk, and so should be more certain to recover our money from the immigrants; and Dr. Featherston assured us, most distinctly that such would be the case, and that we should suffer no loss on the passage-money.

19. Is the Committee to understand that you had a distinct conversation with Dr. Featherston respecting these promissory notes?—Yes; and not only that, but our attorney, Mr. Tahourdin, discussed the matter with him, and we both received an assurance that there would be no difficulty in collecting the amounts of the promissory notes sufficient to secure us from loss. We were also informed that the law of imprisonment for debt prevailed in the colony, and that labourers, generally, in New Zealand were so well off that they preferred to work and pay their debts instead of going to gaol.

20. Is the Committee to understand that, in concluding your arrangements with regard to the sending out of immigrants, you acted upon the strength of those assurances that were made to you?—Yes; on the strength of the assurance that was given us. We had increased the margin from 25 per cent. to 33 per cent, and Dr. Featherston informed us that we should then have no difficulty in getting back our money. We understood that the minimum rate of wages for labourers in the colony was 5s. per day.

21. Was anything said about the hours of labour?—The number of hours in which a labourer worked in England was ten, and we supposed it was the same here, though nothing was said about it.

22. I suppose this understanding led to your fixing some specific amount of money for the passage of each emigrant?—Yes. We were assured that by reducing the price of the promissory notes from £12, named by Dr. Featherston, to £10, we should guard ourselves from loss. So far as I know the Government did not keep back any information from us. We were furnished with a copy of the terms upon which the Government were sending out nominated and assisted immigrants, and I urged upon Dr. Featherston that we should send out immigrants on the same terms. As to the nominated emigrants, I was at once told that they would have to be nominated in the colony which made that class not available for us. But seeing that, practically, the terms for the assisted emigrants were the same as those for the nominated, I argued with Dr. Featherston that we should be put on the same footing as the Government emigrants, and that the emigrants we sent out should only be required to pay £5 in cash. The Agent-General, however, would not allow us to send people out to the colony on those terms, as he considered them far too favourable. He said he would allow them to go out for a week on those terms, but would not bind himself for a longer period, and might change the matter any day. I am bound to say that I think the arrangement was a very foolish one, and defeated its own purpose. If we had been allowed to send the immigrants out for £7 10s. instead of £15, and pay the Government £5 instead of £10, which would have been the same proportion of margin to cover the risk of loss, there would not have been the same marked difference that there now is between our emigrants and those of the Government, and probably we should not have had the men whom we brought out taking every opportunity of leaving our service and taking work from other people, neither would we have been put to the same loss.

23. Did you make any specific inquiries as to whether the Government had experienced any difficulty in collecting the moneys for which immigrants had given promissory notes?—Yes, we asked the Agent-General, and he informed us that he had found no extraordinary difficulty in collecting the notes.

24. Did you ask him whether he was in possession of any official returns on the subject?—I do not remember whether I did or not. We understood that we should be able to recover except under very remote contingencies.

25. Do you know Mr. Morrison?—Yes; he was one of the agents of the Government.

26. In a letter addressed by your firm in London to Mr. James Brogden in this colony, and dated 30th May, 1872, you say: "The third lot of men despatched sailed from Gravesend to-day in the 'City of Auckland.' I am not able to send you the exact number, but they are included in the number of 285 men telegraphed you on the 21st instant. You will have received already the lists of the men sailing by the 'Schiehallion' and the 'Halcione,' both of which ships sailed for Wellington. The 'City of Auckland' sails for Auckland, so that you will know what proportion of the men already sent out are going to Wellington and what proportion to Auckland. I enclose you the form of account for the money advanced and goods supplied, with a copy of the promissory note. It is drawn in accordance with Mr. Morrison's advice."—Yes; that is correct. Mr. Morrison had acted as an agent for the Provincial Government for some years. In fact, I believe he acted as agent for more than one of the provinces as well as for that of Wellington.

27. Had you any conversation with Mr. Morrison with reference to the recovery of the amounts of the promissory notes?—I do not remember. I had frequent conversations with him, and I believe he must have been present when this subject was discussed.

28. Is the Committee to understand that, in connection with the promissory notes, you acted entirely on the information supplied to you by the Government departments?—Yes, undoubtedly.

29. Was it not part of the verbal, as well as part of the written, arrangement that the immigrants whom you sent out should be distributed according to some rule?—Yes; we were to name the places to which the ships were to go, and to find a sufficient number of persons to fill them. At that time we had very little work on hand in New Zealand, except some small works in Auckland under special arrangements. This was the case up to August, 1872, and we were unable to localize or locate the immigrants whom we sent out in such a manner that they would be useful to us in assisting to carry out our contract works. As a matter of fact, we had at that time hardly any contract work to do in New Zealand. But at that time Dr. Featherston was urged very strongly by his Government to send out immigrants, and he transferred part of the pressure to us. We thought we were assisting the Government to carry out their Public Works policy, and, in fact, doing them good, and that is why we acted as we did.

30. Can you say, from documents in the possession of your firm, what became of the first few ship-loads of immigrants that you sent out to the colony?—Yes; I will put in a return giving all that information. The return was prepared from documents in the office of the firm, and is to the following effect: (Statement A).

It will be seen from this that the first ship was sent out from England on 13th April, 1872, and arrived in this colony on 9th July, 1872; but when the men arrived here we had no work for them to do; consequently we had to send as many of them as would go to Picton. They were sent to Picton from Wellington at the expense of my firm, and it cost £91 7s. to take them there.

31. They had been sent to Wellington on the presumption that you would have work there for them?—Yes.

32. This return that you have put in shows the number of immigrants introduced into the colony by your firm?—Yes. I also produce a return showing the number of people sent out to the colony by our firm, and the number that remained in our employ after they arrived here. The return is as follows: (Statement B.)

33. I believe it was early in May 1872, that the terms of the actual agreement, which was subsequently entered into, were agreed to?—Yes, on 2nd May, 1872, the Agent-General wrote as follows: "I have the honor to inform you that I have only this moment, after repeated discussions, come to an arrangement with the Messrs. Brogden, with respect to the emigrants to be sent out by them. I trust to send you the agreement, duly executed, by the next mail. The main provision of it is, that Messrs. Brogden are to give the Government their promissory note for £10 for every statute adult, they taking a promissory note from the emigrants for £16."

34. In the sixth and seventh paragraphs of the petition you state certain matters in connection with the instrument of June, 1872, and the terms generally. Are the statements there made as regards the assurances which you received on the subject such as you have described, and correct in substance and fact?—Yes.

35. I believe you notified your brother, James Brogden, as to the agreement?—I did. A copy of the draft agreement was sent out to him by the mail, which left London on or about 30th May.

36. The agreement was executed on the 27th June, 1872, and you received an intimation to the effect that Mr. James Brogden was dissatisfied with it?—Yes, the Agent-General received a despatch from the Hon. Mr. Ormond, dated 6th June, 1872, relating to the matter. I think, however, that the first intimation we had of my brother's dissatisfaction was a telegram to the Agent-General, which he received about 17th August, which he showed us before Mr. Ormond's despatch arrived.

37. Then your brother, as soon as he became aware of the terms, pointed out that they were unfavourable?—Yes.

38. And you afterwards became aware of the correspondence between your brother and the Minister for Immigration?—Yes.

39. You continued to carry on the immigration until you received advices from your brother?—Practically we suspended the immigration in June, 1872, because we thought then that we had done quite enough to show that we were able to send out a good number of men, but seeing that the arrangements for contracts were so long in being concluded we did not think it wise to go on. The Agent-General, however, induced us to resume the sending out of men.

40. Did you address the Agent-General on the subject in writing?—No, the Agent-General addressed us as follows on 16th July, 1872:—"Gentlemen,—I venture to suggest that it is extremely advisable that you should resume emigration, and send out the number of emigrants specified in your contract with the least possible delay, for the following amongst other reasons: (1.) The Minister for Public Works, in a letter dated Wellington, 13th May, says,—'Mr. J. Brogden is here, and about to tender for several railways, but we can give him no reliable information as to what labour may be expected to arrive. Practically the public works cannot proceed until we get a considerable stream of

immigration. No doubt we shall hear from you by an early date what you have been able to do; and pray take care that we have a considerable supply of labour by spring, or the consequences will be serious.' (2.) In a letter of the same date the Premier writes,—'On the immigration question generally we hope the incoming mail will show that you are doing something substantial. In a few days we shall have settled with Brogden, either by his contracting for four or five railways (including the Wairarapa), or by his refusing and our falling back on No. 2 contract, and putting up the rest to public tenders. Either way labour will soon be wanted; and although I do not anticipate a pinch for four, or perhaps six, months, it will be serious if a considerable supply does not arrive by that time.' From these extracts it is clear that neither you nor the Government will be able to carry on the railways without a large supply of labour except at a ruinous expense. (3.) As the terms you have been giving to labourers engaged by you are much more liberal than those offered by the Government, your emigration necessarily competes and interferes with the Government immigration. Until, therefore, you have sent out the whole number specified in your contract, you, very unintentionally but unavoidably, will be acting as a hindrance and obstruction in the way of the immigration conducted by the Government. Trusting you will take my suggestion into your serious consideration, I have," &c. We suspended the work of sending out immigrants, because we had no employment to give them on their arrival here, and the letter which I have just quoted was sent to us by the Agent-General, urging us to resume it. After we received that letter we, having faith and confidence in the promise that the works would be given to us, sent out three ships in September, two in October, and three in November. It was not until August that we got information that the arrangement was unsatisfactory. The telegram from the Hon. Mr. Ormond to the Agent-General says, "Brogden dissatisfied with emigration arrangements with his firm. Some trouble with 'Schiehallion' immigrants." I saw that telegram before I received advices from my brother, to the effect that the terms were unsatisfactory. Some time afterwards we saw Dr. Featherston, and requested him to explain the marked difference between his statement to us respecting the ease with which the money represented by the promissory notes of the immigrants could be got in, and the great difficulty which we had had in collecting it; and, further, we asked to be allowed to withdraw from the arrangement altogether.

41. Mr. Billing, in a letter to you dated 8th June, 1872, says: "I mentioned to Mr. James Brogden the substance of the conversation I had with you before I left London on the emigration scheme, and the directions you gave me in regard thereto, most of which I find embodied in your letter of the 4th April. If your present terms of engaging men are carried into effect whereby Government advance the passage-money and hold us responsible for the collection of it, less 25 per cent. to cover losses, we are bound to be heavy losers. But if Dr. Featherston admits the principle that we are to be reimbursed the cost but not to make profit or suffer loss by it, it seems desirable to have this principle embodied in the agreement when drawn up. We shall consequently be relieved of all anxiety in a pecuniary sense. Your wishes as to a strict account being kept of all charges on this head will be attended to, so that there will be no difficulty in finally adjusting the accounts with Government hereafter. The Government scheme of immigration has not hitherto been a success. In this province alone, whilst Dr. Featherston was Superintendent, the Government lost about £30,000 through absconders principally, although they took every precaution to prevent men running away, even to having all outward-bound ships searched by police. This act has since been declared illegal. I am hoping to meet Mr. Knowles, Under-Secretary, in a few days, and as he is well acquainted with the subject of immigration, I hope to get some information which may be of use to us. Nothing has yet been done with a view of settling with the Government the question of charges incurred in landing, housing, transshipping, and provisioning the immigrants from the time of their landing to the time they arrive at their place of work."—My brother afterwards said the arrangement was unsatisfactory, and it was in consequence of that that we suspended operations in November.

42. There is another letter written by Mr. John Henderson, who was your engineer here, and which was dated 6th July, 1872. It says: "Immigrants will be housed and well cared for on arrival. I am only sorry that the immigrants were not sent out upon the usual Government terms—namely £5 cash, or £7 10s. on promissory notes. I am afraid the men, on arrival here, will feel dissatisfied, and that we shall lose many of them. Please do not send out any more except upon the usual Government terms, and even then the Government ought to allow you 25 per cent. for risk and pay all expenses incurred in getting the men and putting them on the work?"—Yes, that letter was sent to us by Mr. Henderson.

43. Well, then, it amounts to this: that in November, 1872, you felt compelled, in consequence of representations made to you from the colony, to suspend further operations in the matter of sending people out to the colony?—Yes.

44. On 12th June, 1873, the firm addressed a letter to the Agent-General?—Yes. The letter is to the following effect: "Sir,—At the invitation of the Minister, the Hon. G. Maurice O'Rorke, conveyed to our Mr. James Brogden, in New Zealand, by letter of 2nd November, 1872, and in compliance with your letter of 27th May last, we address you on the subject of agreement of 27th June, 1872, between the Governor of New Zealand and ourselves relative to the promotion of immigration into the colony. The negotiations on this subject commenced, as you will remember, in New Zealand, between Mr. James Brogden and the Ministry there, and the continuance of them was relegated to you and the members of our firm in England. At that time the postal arrangements from the colony were very irregular, and we received intimation from our firm that the subject was so remitted us, but without any further particulars. You will doubtless remember that the draft agreement for emigration which had been discussed in the colony was handed to us by you, and you informed us that it had in fact very nearly been signed by our Mr. James Brogden, but at the last moment he had declined to take the responsibility, and so the subject was remitted home. At the same time you urged us with so great pressure to commence sending out immigrants that even before any agreement was made with you we had already sent out a considerable number, and were actively at work in the necessary organization in different parts of the country. We wish here to observe that we had no desire to enter into this undertaking. It was at the request of



the Government in New Zealand and of yourself here that we did so, and from the first we informed you that we looked for no profit, but only sought to be covered against any loss. The terms we sought to arrange with you were similar in principle to those negotiated with Mr. Vogel in England for the No. 1 Contract, and required that we should keep accurate accounts of the moneys expended and of the repayments received from the emigrants; that at the expiration of the time the accounts should be adjusted and settled upon the basis of repaying actual outlay. We sent out immigrants in several of the early ships, as we supposed upon this understanding, and informed our firm in New Zealand that there would be therefore no necessity to consider, in settling the prices of work, any cost or loss arising from the emigration. To this you objected that there was no finality in such an agreement, and it was with reluctance, and only on your distinct assurance that the terms subsequently arranged would fully cover us against any loss that we signed the agreement. We could not but remember also your statement that the agreement with higher charges against us was on the point of being signed in New Zealand. The terms to be charged to the emigrants, the form of agreement with them, also of the promissory notes to be taken from them; and, in fact, all details were from time to time discussed with and approved by you. These terms bound us to repay you by instalments—£10 of the passage money with interest—and entitled us to charge, in addition to any other advances we might make, £15 to the emigrants, and to deduct a portion of the amount weekly from their wages. In the mode of execution and witnessing of these agreements and promissory notes, we acted entirely upon the advice and information of either yourself or the Government Emigration Agent, Mr. Carter, the difference between the £10 you charged us and the £15 we were to charge the emigrants being, in fact, the only margin to set against any loss that might arise through delinquencies or misfortunes, and this, you assured us, would be amply sufficient to do so. We never desired to make any profit out of the emigration, but we certainly relied upon your assurance that this margin was sufficient to protect us against any loss. We had no knowledge that in these same ships you were intending to send out other emigrants on different terms, requiring from them very much less repayment for their passage-money than was required from our emigrants; and, although the latter required help in removing from their homes to the ship, and also for their kit and clothing, yet that was given from our firm, and not from the Government; so that in what the Government had to provide, viz., the passage-money, there was a marked disadvantage to the extent of a third or one-half of the passage-money to our emigrants, as compared with the Government emigrants. There is no doubt that during the voyage these facts always became known and created a feeling of disappointment and dissatisfaction, which has resulted in a very disastrous defeat of the whole object to us of this emigration. The men, as soon as they landed, mostly deserted, dispersed themselves over the colony and refused to work for us, saying they had been ill-treated and overreached, and blamed us for what is, in fact, the arrangement forced upon us by you. We have said, in the commencement of this letter, that we only entered upon this subject at the urgent request of the New Zealand Government, and, manifestly, with the desire to provide labour for the public works to be entrusted to us, so that those works might proceed rapidly without creating a great disturbance in the question of labour in the other industries in the colony. We have sent out 1,299 adult males, and, according to our most recent advices, we have 525 working for us. The remainder are mostly remaining in the country engaged at other work, and we have been unable to recover any appreciable amount of their promissory notes from them. Thus the country has the advantage of the large number of selected men and their families for its industries and revenue, but, unfortunately for us, at our cost. Again, we have been repeatedly informed by our firm in New Zealand that, when some of the immigrants arrived, there were not public works entrusted to us sufficient to employ them, and we have had either to find temporary employment for them, so as to keep our engagement to them, or to see them leaving us for other work, from which it is almost impossible to recall them; and our latest advices assure us that there is no necessity for further emigrants for the works given to us. Under the circumstances as herein stated, we feel confident in appealing to you for a reconsideration of the terms as to the emigrants who have already been sent out by us, and we must certainly be put upon an entirely different footing with reference to any further number. We are not, and never were, desirous of entering upon this kind of engagement, but believe, if the Government urge it upon us, we could organize anew the emigration movement for the despatch of considerable numbers; but, with reference to the past, we think we have a fair claim to a full reimbursement of any moneys we have paid in connection with this matter, and a release from the notes signed by us. Your emigration circulars show that you have found it quite necessary, in order to keep up the flow of emigration, and to put yourself on a level with other countries, who have active agencies here for similar objects, to give a very great modification of the terms you formerly demanded even from the Government emigrants; and the promissory notes for £10, which is now all you demand from the emigrants, give you no greater security than what we imagined we had received. We shall be glad to give you the documents we have received from the emigrants, applying their respective amounts *pro rata* to your passage-money and our actual advances, and we think you ought to be satisfied in our case with what you are now satisfied with from any casual applicant.—We have, &c., JOHN BROGDEN and Sons."

45. That letter was forwarded by you with a view to obtaining relief, and in accordance with the suggestion of the Minister for Immigration?—Yes.

46. Did you receive any answer from the Agent-General?—We had a communication from him asking us for an explanation as to the exact amount of money we had disbursed. We gave that information, but heard nothing further about it.

47. Had you any personal interview with Dr. Featherston on the subject?—I do not recollect exactly, but I have no doubt that we had some such interview.

48. Did Dr. Featherston ever, either in writing or verbally, dispute the accuracy of your letter of 12th June?—Never. The Hon. Mr. Hall, the present Premier, who was at that time in England, was present at an interview which I had with Dr. Featherston on the subject, and at that interview I urged the same views that I do now.

49. I observe that in that letter of 12th June, 1873, which you refer to, you say, "We have sent out 1,299 adult males, and according to our most recent advices we have 525 working for us. The remainder are mostly remaining in the country, engaged at other work, and we have been unable to recover any appreciable amount of their promissory notes from them?"—Yes, that return was prior to April, 1873, and before we had commenced the monthly form from which this extract is made. Even then there were more than 700 fewer men at work for us than we had sent out.

50. In your letter dated 10th July you state the amount of your outlay, including passages, outfits, &c., to be something like £39,000?—Yes, less the extra £5 charged on the promissory notes for passage money.

51. You did not receive anything in cash from the immigrants themselves?—No; it was all outlay on our side.

52. It was in December, 1872, after you became aware that there was some dissatisfaction with regard to the agreement that you handed over your promissory notes to the Government?—Yes; on 21st December, 1872, we handed in the promissory notes under protest. At that time we had finished all our arrangements and knew that we should not send out any more immigrants.

53. Had any application been made to you for these promissory notes prior to you handing them in?—Yes.

54. Have the whole of the notes been paid?—No; but the Government have deducted the whole of the money for passages and interest from the amount due to us by them. The total amount is £20,739 15s. 10d. [*Vide statement C attached.*]

55. That sum is exclusive of the amounts you had to pay in sending the immigrants from one part to another?—Yes. We have paid the cost of transporting the immigrants from one Port to another ourselves. The amount we have paid in that way is £767 9s. 6d. That expenditure was rendered necessary in consequence of our not having work to give the immigrants when they arrived in the colony. We have asked the Government to return that money to us, because we consider it is justly due to us. We hold that, in sending out immigrants, we were only complying with the request of the Agent-General, and, having brought them out, we considered that we were bound to find employment for them; therefore, we took them from one port to another. The total amount of the promissory notes is £39,241 16s. 4d., and the amount recovered is £5,192 18s. 7d. gross, less expenses of collection, &c. [*Vide statement A attached.*]

56. I observe that there is a considerable sum set down for stamps for the promissory notes?—Yes, there is; but we knew nothing about the necessity for restamping the promissory notes when we took them; and, in fact, in some cases we lost money when we took action in the law courts in consequence of not having stamped the notes again in the colony.

57. Taking interest and everything into consideration, you calculate that your total loss is £47,103 0s. 8d.?—Yes. [*Vide statement C attached.*]

58. Are you in a position to say whether, in the execution of the works, you derived any advantage or benefit from the introduction of these immigrants?—We certainly did not; but I am willing to admit that the introduction of some 2,000 people to the colony would have some influence on the labour market, and would cause an average reduction in the wages throughout, and we would have the benefit of that in the same manner as other people. The only difference in our case would be that we had to bear the entire cost of bringing about the reduction. At the same time, if the Government had brought out these immigrants, we should have received more benefit than we did.

WEDNESDAY, 13TH JULY, 1881.

Mr. A. BROGDEN, examined.

59. *Mr. Travers.*] I believe your firm intended to have sent out men to carry on your works, irrespective of the arrangement made with the Government?—To a certain extent we did. Here is a letter written by Mr. Henderson to our firm in London on the 27th October, 1871, in which, after detailing other things, he says, "Should Mr. James Brogden telegraph to you that all is arranged, and to send men, &c., out, please allow one of your people to see and arrange with the first good ship coming out passages for housekeeper, servant, and children." On the 25th November, 1871, my brother wrote me. I will read an extract, but the whole letter will be put in. After mentioning that it was the intention of the Government to give us contracts to a million sterling, he says, "We should disturb the labour market materially if we proceeded to make railways and draw upon the present resources of the colony in labour to a large extent, and so disorganize industries of various kinds. Holding this in view the Government wish to limit our payment to the working navvies, for a days' labour of eight hours, to the sum of 6s. per day. Now we find this varies in different provinces from 6s. to 10s.: in the proximity of gold-mining they pay 10s. per day readily; in places where labour is not in demand it is possibly 7s. 6d. to 8s. per day. The Government prohibit the employment of Chinese labour. Hence the Government advise that one person or firm should control the labour market, and thus the idea gains currency that we should have all the public works. I have, of course, done all I could to further this idea. Then, the Government also wish us to import men, with a view to their employment on the public works and to their future settlement in the colony; hence they desired me to consider an immigration scheme in connection with our works. I decline to take any risk or responsibility without your approval and consideration; I have therefore arranged to refer you to Dr. Featherston on this subject. I shall mention this more in detail presently, and meantime refer back to the negotiations for works. A lengthy agreement was submitted as to our importing immigrants: the substance of it was that we should receive from the Government £15 per adult for all persons imported; that we should import 2,000 men, who would possibly have some 4,000 women and children attached and connected with them; that promissory notes should be given for the passage-money, repayable, in equal sums at two, three, and five years, to us by deduction from wages, and have 20 acres of settlement (fair or good land) land allotted, for which they would have to pay £1 per acre, in the course of two, three, and



five years, with the power to take up an equal amount of land if they had paid for the first lot in one year after arrival. I found that much better terms were being offered than those proposed to us, in the case of immigrants coming independently, and applying to the Agent-General in England. The Agent-General has discretion to pay the whole passage-money, and give the right to land above mentioned, or he may insist on £5 of the £15 passage-money being paid by promissory note of the immigrant. I find that about 50 per cent. of the immigrants after arrival disappear, and leave their engagements unfulfilled, although they are promised in addition four days a week employment at 5s. on public works (roads, &c.) for one year. I thought we could have worked the matter out; that the Government would take the risk as they impose a limitation as to the price to be paid for labour. I therefore thought, as we shall have to get labour imported, it would be better that you arrange with Dr. Featherston a means of their being sent out under the general terms the Agent-General in England is empowered to act upon, at least until you hear further from us here. I do not intend we should run risks, but I see we shall require men. I shall be anxious to hear what you have done or, proposed with Dr. Featherston. I would be glad to have information as to the operations of Thomson Bonar, and others, who are conducting schemes of this kind, and information as to their progress. We should get the Government Agent-General to pay the full passage-money of the men we require. Remember also that, in the case of promissory notes given, a particular form is required; these are to be indorsed by the Government, and drawn on a private firm, so as to be legal and reclaimable in New Zealand. Dr. Featherston has some experience in this, as in Wellington Province alone he was party to a loss occasioned to the extent of £40,000 on account of persons who repudiated their promissory notes or who absconded. We propose to get 2,000 adult males, at £15 passage-money, £30,000; 3,000 others (wives and families), at £15 passage-money, £45,000; 1,000 children at £7 10s, £7,500: total £82,500. The item to be paid by the Government, but promissory notes to be given by the immigrants, and we were to collect the moneys from the men. We should be paid the total sum, and collect in two, three, and five years; but we could not agree as to the Government taking the risk of absconding persons. We to pay 6s. per day eight hours. Deaths to be covered by insurance by the New Zealand Government, so that the matter remains for you to act on, until we feel assured by the terms of the Government offer that we can submit a proper offer here for the above operation."

60. Do I understand your arrangement with the Agent-General was that they were to be sent out upon Government terms?—The Agent-General was quite willing they should be sent on those terms. We also intended to send them out on whatever terms we could send them out—Government terms, or any other terms. We should certainly have sent out 500 or 600 at our own cost.

61. At that time the Government terms were the payment of £5 per man?—Yes. It would have cost us £3,000 or rather more.

62. Was that intention of yours altered after the agreement with Dr. Featherston was made?—Naturally, when we wrote the letters of February and March we were not alive to the fact that negotiations for enlarged immigration were begun from this side, and were to be continued in London. We thought Dr. Featherston only wanted our help.

63. It was your intention to have sent out 500 or 600 men, and you could have done that at a cost of about £3,000?—Yes.

64. You now come down to your letter of the 10th July, 1873, which you addressed to the Agent-General?—Yes.

65. You had an interview with him prior to that letter being sent?—Yes.

66. Had you any conversation with him with reference to the loss you had sustained?—Yes. As I mentioned before, the letter of the 12th June, 1873, was really a reduction to writing of the subjects discussed at that interview.

67. Now, at that interview, what took place? What was said on the part of the Agent-General in reference to this?—Between the 12th June and the 10th July I saw the Agent-General again, and he asked me to give him the exact figures, which was done. On the 10th July I saw him, and he told me he should be writing to the colony, and should recommend the Government to agree to our proposals.

68. That is your letter of the 10th July, which is printed in the proceedings of the Committee of 1873?—Yes. You must, in fact, read the two letters of the 12th June and 10th July together.

69. Do I understand that the letter of the 10th July, 1873, from the Agent-General, which you wish to have produced in full, is the one which you understand to embody the recommendation you refer to?—Yes.

70. *The Chairman.*] That is the letter from the Agent-General to the Government?—Yes. On the 11th July, 1873, we wrote from London to Wellington: "A friendly meeting took place on Tuesday last between the members of the firm and the Agent-General to discuss the emigration agreement, Mr. Hall, ex-Minister, being present. The result is the letter to the Agent-General (copy enclosed, 10th July). I and Henry Brogden were informed by the Agent-General yesterday that he was quite prepared to indorse the proposal of the firm, and will recommend the Government to accede to it in his despatch by the present mail."

71. *Mr. Travers.*] I assume you rested satisfied with that assurance?—Naturally.

*Mr. Dick:* Will Mr. Hall be asked to substantiate that?

*The Chairman:* He will be asked to attend.

*Witness:* Some time followed, and in the interval the inquiry before a Committee of the House was held here. Then, in the early part of 1874, after we became aware of the resolution of that Committee, we frequently tried to see Dr. Featherston, who at that time was very ill and not always visible. We did see him again, and wrote a letter dated the 25th March, 1874: "Referring again to our emigration agreement, you will remember that, in our interview with you and the Hon. John Hall in June last, certain proposals for an amicable settlement were discussed, which were afterwards embodied in our letters of the 12th June and the 10th July, and it was agreed that you would recommend the Government to accept our offer. Not having received any reply to our communications, our Mr. James Brogden waited upon you on the 18th March to ascertain if you had received despatches from the Government

enabling you to give a favourable answer, and we regret to find that you are still without any instructions. It appears that our representatives in New Zealand were advised last session to petition the Parliament praying the recoupment of our losses under the emigration agreement, but without success. Since, however, our proposal to apply the amount recovered from the men, *pro rata*, in reduction of your passage-charges and our own advances, has been before the Government, you have adopted the system of free passages, which was doubtless an urgent necessity in consequence of the greatly-increased demand for labour; but you will not fail to see that our position is thus materially altered since our offer of June and July last, and that it will now be impossible for us to enforce further recoveries from our workmen. You will admit that the Government are in a similar position as regards the promissory notes taken from ordinary emigrants; and that a heavy loss to the Government, as well as ourselves, must inevitably follow the adoption of free passages. Under the circumstances, we are again compelled to ask your reconsideration of our position, and to press our claims for the remission of passage-expenses and all other disbursements in connection with our emigration. The passage-charges include—Promissory notes to Government, £18,240; payments in cash, £97 10s.; interest on promissory notes to 28th February, 1874, £1,275 12s.: total, £19,613 2s. And our other disbursements are as follow, viz.: Ship's kit for emigrants, £1,791 15s.; outfit, railway fares, dock dues, medical examination, &c., £9,619 13s. 9d.; agency expenses for collecting emigrants, printing, advertising, journeys, and commission, £1,679 9s. 10d.; immigrants' maintenance in New Zealand, boat hire, &c., £3,759 0s. 6d.; loss of interest on advances to men to the 31st December, 1873, £708 16s. 10d.: total, £17,558 15s. 11d. Total of outlay, exclusive of additional interest on promissory notes accruing from time to time, £37,171 17s. 11d.; less repayments by workmen, according to last advice, £2,766 15s. 3d.: grand total, £34,405 2s. 8d. We note that, in a memorandum to the Cabinet, No. 66, April 1, 1873, the Minister for Public Works says, 'The only thing which has kept the rates of labour from rising to rates ruinous to the various interests in the colony has been the shipment of so much labour by Messrs. Brogden;' and we feel assured that this testimony is supported by facts, and that the advantage to the country of our large number of selected labourers, and their families, dispersed through the various provinces of the colony, contributing to its revenue, and employed in developing its resources, can hardly be over-estimated. The following return, received from our firm by last mail, will show you to what extent, in point of numbers, the country has been benefited by the introduction of our workmen, viz.: Number of working-men sent out, 1,299; number working for the firm, 76; number distributed throughout the colony working for other employers, 1,233. We have a grave charge of complaint against colonial employers for enticing our men from their employment, and in several instances engaging the emigrants on landing, notwithstanding the employers were made aware of the engagement the men had entered into prior to leaving England. Our agent at Dunedin, referring to this subject, writes: 'October 20, 1873. Immediately the men were landed at these works, every artifice was resorted to by farmers and others to induce them to quit the firm's employ, and engage in farm-labour, &c. Higher wages were promised, and every means used to decoy the men away, and in the greater number of instances with success. The men, on the other hand, do all in their power to avoid the repayment of their promissory notes; and the proof of this assertion lies in the fact that, of the whole number of immigrants who originally landed in Otago, only five continue in the employ of the firm. Our engineer on the Dunedin and Clutha Railway-works, also reports that 'The working of the immigration scheme in this province (Otago) has met with even worse success than that of Marlborough; for at the time of the landing of the immigrants per "Bebington," "Lady Jocelyn," "Christian McCausland," "Zealandia," and following vessels, the labour market was by no means full, and a great many of the farmers in both the country districts adjacent to Dunedin, and more remote, enticed many of the men away by offering them 40s. to 48s. per week, and board and lodging. The honesty of the greater part of the men was not proof against this opportunity of getting rid of their obligations to the firm. There is no reason to doubt that the debt to the firm with which our men landed in this country is that which prompts them to attempt at once to get employment at the hands of some other employer. We have no wish to multiply similar reports from other provinces, showing the gain to the country from our imported labour, but we cannot help complaining of the recent action of the Government in entering into direct competition with us in the labour market, thus rendering it impossible for us to complete our engagements within the stipulated time. Our recent contract for completion of certain works at Auckland and Ohehunga within the next three months was entered into on the supposition that we should have only the ordinary demand for labour to compete with; but we regret to say that our exertions are paralyzed by the withdrawal of our men for service in the railway corps on the Waikato extension,—the Government offer of the highest current wages, with lodging, accommodation, and other inducements, rendering our efforts to retain our workmen wholly abortive. In urging our appeal, we must again reiterate that the importation of our immigrants was undertaken by us, not from any desire of ours to engage in this work, but at the urgent request of the New Zealand Government, in order to prevent the withdrawal of labour from the various colonial industries; that much pressure was put on us by you to commence sending out emigrants before any agreement had been made, and without giving us time or opportunity to communicate with our firm in New Zealand. You will also remember that we repeatedly explained to you that we had had no experience of this kind, and sought for no profit, and therefore proposed to keep separate accounts of our expenditure and receipts, and be reimbursed by the Government our actual outlay on this account. Moreover, all the details connected with it were carried out under your advice and assistance; our emigrants were shipped from time to time under your instructions, and were landed at the various ports selected by yourself; and we cannot look at our position in the matter in any other light than as the agents of the Government, acting under their supervision and direction, and seeking only to be freed from any loss. The arrangement for taking the promissory notes from the emigrants was also made under your advice, and upon your assurance that we should be able to recover them without much loss, and the amount we were to pay the Government for passage was fixed by you and agreed to by us; again asserting, at the same time, that we relied on your assurance that we should thereby be amply secured from loss,

and that in this transaction we sought no profit. We are sure that in giving us this assurance you were judging from your enlarged experience, and that you did so in all candour and good faith; although we regret that, through no fault of ours, the results have been adverse, caused mainly by the disparity of passage-charges between our own and the Government emigrants first causing dissatisfaction, then by the action of the colonists themselves, and subsequently by the granting of free passages. We learn that the Government has recently invited the Legislature to condone the penalties in the case of Mr. Webb's contract, on the ground that the colony had been benefited by the San Francisco mail service. It will surely be conceded that our claim is no trifling one, and that we are entitled to an equal claim for relief with Mr. Webb. The amount in question is too large for us to cease urging the Government to reconsider their determination. We have expended, including the amount of our promissory notes to the Government, upwards of £35,000 in introducing some 2,000 emigrants into the country, to its great present and prospective advantage; and, in appealing to you for a reimbursement of our expenses in connection with this matter, we have no doubt that, in honor, you would personally feel bound to admit the justice of our claim; and we feel that the Government is also bound through you, in all honor, to make a similar admission, and recoup us the outlay incurred in benefiting the country. It cannot be for the advantage of any country to first urge responsible persons to undertake work at the instance of the Government, assure them throughout that the means taken for their reimbursement are sufficient, and then to leave them without remedy for the large outlay they have incurred, while the country reaps all the advantage."

*Mr. Travers:* It is there stated the Agent-General had, at an interview, agreed to recommend the Government to accept the offer made by Messrs. Brogden. That letter is transmitted to the Hon. Mr. Vogel in a letter dated the 5th May, 1874, in which he says, "I have the honor to forward herewith copy of a letter which I have received from Messrs. John Brogden and Sons, urging their claims on the Government in respect of the heavy liabilities they have incurred in connection with New Zealand emigration, and recapitulating the facts of the case. In forwarding this letter, I can only refer the Government to my despatch of the 10th July, 1873, No. 502, in which I forwarded the proposal then made by the firm for an amicable settlement of their claims, and recommended it to the favourable consideration of the Government. In my letter of the 16th May, 1873, in which I referred to the proposed abolition of the promissory-note system, I pointed out that the position of the Messrs. Brogden would be seriously affected by such a change; and, seeing that free emigration has since been adopted by the Government, it does appear to me that the difficulty of collecting the promissory notes has been considerably increased, while the value of the securities in the hands of the Messrs. Brogden has been correspondingly lessened." We submit the Agent-General's letter in that respect clearly does not in any degree dispute a single statement in the letters of Messrs. Brogden.

*Witness:* I would also point out the important change that had occurred.

*Mr. Travers:* Yes; I will read: "In my letter of the 16th May, 1873, in which I referred to the proposed abolition of the promissory-note system, I pointed out that the position of the Messrs. Brogden would be seriously affected by such a change; and, seeing that free emigration has since been adopted by the Government, it does appear to me that the difficulty of collecting the promissory notes has been considerably increased, while the value of the securities in the hands of the Messrs. Brogden has been correspondingly lessened." In reply to that letter was a letter from Mr. Vogel, dated the 3rd July, 1874, in which Mr. Vogel gives his reasons for not acceding to the recommendation.

*Witness:* Previously there was a letter from Mr. Vogel to Dr. Featherston, sent in October, 1873, in reply to the letter of July, 1873.

72. *Mr. Travers.*] Prior to that letter from Mr. Vogel in 1874, had you any idea the Government would not act upon the recommendation made by Dr. Featherston?—No.

73. There has also been a suggestion made with regard to the amount for contingencies on contracts allowed. The contingencies are fixed at  $12\frac{1}{2}$  per cent. in the contracts of August, 1872. It has been suggested that some allowance might have been made in these contingencies in regard to this matter?—It has been suggested that losses we might have sustained under this immigration contract might be covered by allowance made under the works contracts. I at once say that was not so. Here is the evidence of Mr. Carruthers and others when examined before the Immigration and Public Works Committee in 1873, in which it is repeated that there was no consideration made in contracts for losses sustained by the immigration. The two things were kept distinct, and each had to stand upon its own bottom. With reference to the general rise in wages I dealt with that the other day. Probably there might have been a general reduction of the average price of labour throughout the colony by the introduction of these 1,400 men. We should certainly reap the advantage of that average reduction. Supposing that amounted to 10 per cent. we should have paid 100 per cent. of the cost, and got only 10 per cent. of the benefit. As to the contingencies, in fixing our prices  $12\frac{1}{2}$  per cent. was allowed for contingencies; at Home it is the constant practice to allow 10 per cent. That 10 per cent. is to cover extra expenses incurred. For example, in building a bridge there is much more to pay than the mere iron-work, the brickwork, the timber, and the labour. There may be a temporary road or bridge to be made, or some compensation to pay for land, or there may be some loss of material, or the men may leave work at a critical time, involving heavy loss. The 10 per cent. is to cover all such items. In fixing  $12\frac{1}{2}$  per cent., instead of 10 per cent., we thought an additional  $2\frac{1}{2}$  per cent. in a new country, where materials and information were difficult to obtain, was a moderate addition. I see in Mr. Richardson's evidence he talks of 15 per cent. having been allowed over and above the Engineers' prices. I desire to say Mr. Richardson must have been mistaken. The mode in which these contracts were arrived at had nothing to do with Engineers' prices. Mr. Richardson, as Minister, kept the Engineer from all communication with us, and we made a tender, and it was accepted. We were obliged afterwards to put a schedule in that tender and on the schedule we put the estimated net prices, with  $12\frac{1}{2}$  per cent. for contingencies. In the calculations made afterwards, 5 per cent. was allowed for management, and 10 per cent. for profit.

74. Mr. Carruthers says the same thing?—Here is the original contract which shows the prices, and there is this note: "To the above prices must be added contractor's profit 10 per cent., and cost of management 5 per cent."

75. Mr. Carruthers's evidence from question 146 to question 169 deals with this very question. He says, especially in answer to Mr. Richardson, "When these prices were settled, was the rate of wages and the number of hours per day taken into account?—Nothing was absolutely stated as to the rate of wages, although the rates likely to prevail are usually kept in view when such works are to be considered. The prices were settled principally upon the rate paid for other works. I never said anything, and I am pretty sure the contractors never said anything, that would lead to the belief that an increase in the price of labour would lead to any claim for compensation. Was there any allowance made, or was it taken into consideration in fixing these prices, that the contractors were about to import labour into the colony?—No, it was not expected that the contractors would have to import labour, because it was understood at the time that the Government was going to import a great many immigrants into the place, and it was supposed that that importation would be sufficient to keep prices down to prevailing rates. I see by all the contracts that an allowance of 12½ per cent. was made in name of contingencies; what was that allowance intended chiefly to cover?—It would cover superintendence of the works by foremen, and accidents to the works, tools, &c. Was that allowance made outside the 10 per cent., and irrespective altogether of it?—Yes, it would be outside of that.

*Mr. O'Neill.*] In arranging these prices, did you make any allowance for any loss that might fall to the Messrs. Brogden by the introduction of immigrants?—No. *Mr. Carrington.*] Was there no difference made in the case of the contracts given to the Messrs. Brogden regarding contingencies and allowances as compared with contracts given to other parties?—No; contracts have been let to other parties in the same manner as to Messrs. Brogden, but only by public tender. Where the public are allowed to tender for the work, the contractor includes contingencies in the estimated cost. Of course the contingency is provided for whether it be put down as such, or simply included as a first price. *Hon. Mr. Richardson.*] The question is, whether in your dealings with Messrs. Brogden, you recognized certain allowances which would not have been made to other contractors?—No, certainly not. *Mr. Rolleston.*] In arranging these contracts with Messrs. Brogden, were you in any way authorized to consider the question of the introduction of immigrants, or anything beyond the question of the price such as would have been considered for any other contractor?—No.

Did you consider that the contracts entered into with the Government had relation to any other purpose, especially with regard to the introduction of immigrants by the Messrs. Brogden?—No; I expected that whatever arrangement Messrs. Brogden might make would rest upon its own bottom. I knew Government intended to import labour, either through the Messrs. Brogden or in some other way. *The Chairman.*] Was your estimate not made for the guidance and information of Ministers, and in all cases was it not left with Ministers to decide upon the final price to be paid for the contracts?—Yes."—No allowance whatever was made with respect to any possible loss in regard to emigration.

76. *Mr. Bell.*] Are we to understand that you have produced all the correspondence relating to immigration which passed between Mr. James Brogden and your firm in London?—Prior to the date of the agreement.

77. How many immigrants did your firm actually send out to the colony?—There were 1,291 working-men, or 2,174 souls.

78. Under any circumstances, irrespective of Government immigration, you would have sent out 500 or 600 males?—Yes.

79. That fact has not been stated before I believe, nor before the Committee of 1873?—No, I do not think it was explicitly.

80. You have read Mr. Henderson's evidence before that Committee?—Yes.

81. He says your intention was to get immigrants from Australia, or Chinamen?—That was, with reference to the 500 or 600, they would not have been necessarily from England. We should have supplied the 500 or 600 from some market.

82. You say, in your letter to your brother, of the 22nd March, 1872, "We expect to send out immediately 150 immigrants." That was the first number you sent, and that was some time of course before you had entered into any arrangement with Dr. Featherston?—Yes.

83. And you continued to send out immigrants without any arrangement as to how you were to be repaid?—Certainly; we were doing that, and intended to do that to a limited extent.

84. How did you pay the passages of these immigrants?—I do not think we paid the passages of any. If we paid for those first, it was repaid to us.

85. That was after signing the contract? Yes; if we had failed to come to any arrangement we should have felt ourselves bound to pay for those sent out.

86. You were sending men for works you expected from the Government?—Yes.

87. Did you send any men of any other class than navvies? Yes, there were a great many agricultural labourers.

88. Can you say how many?—The majority of them.

89. All these were under engagement to you for two years?—Yes.

90. And did you engage agricultural labourers for your purpose?—Yes; they were men accustomed to outdoor work.

91. You intended to use them as navvies?—Yes; you can soon transform a good agricultural labourer into a navvy. They would become suitable very soon.

92. Were the men suitable for your works whom you engaged for two years?—They might not be immediately suitable, but they would very soon become so.

93. On the 25th November, 1871, Mr. James Brogden wrote to you that Dr. Featherston had personal experience of the promissory-note system, and that in the Province of Wellington there were £40,000 owing on these notes. I wish to know how you reconcile that with your statement that you were perfectly ignorant that any difficulty would exist in the colony in the collection of promissory-notes?—I think the letter answers the question without any answer of mine. It says, "We must be very particular as to the form in which the promissory notes are made out." We naturally thought Dr. Featherston's experience in this heavy loss would be used to put us in the right way as to what form the notes should be given in.

94. Your brother says there should be a Government indorsement on the promissory note?—I will read: "Remember also that, in the case of promissory notes given, a particular form is required; these are to be indorsed by the Government, and drawn on a private firm, so as to be legal and reclaimable in New Zealand." I confess to this day I do not understand what that means.

95. You had notice in the beginning of 1872 that Dr. Featherston himself, as Superintendent of the Province of Wellington, had lost £40,000 by these notes. Your brother warned you carefully as to the form, and suggested a Government indorsement? No. He did not suggest a Government indorsement. He suggested we should take advantage of Dr. Featherston's experience.

96. That if a particular form was required, it was to be drawn by the Government?—He says that Dr. Featherston's experience should be used. We thought certainly when we came to Dr. Featherston he would instruct us as to the form required. A man who has lost £40,000 in that way would be likely to know how to guard against it again.

97. Early in 1872 you had ample notice of the difficulty of collecting these notes?—Only to a very limited extent. We heard that the givers of the promissory notes had repudiated them or absconded. The repudiating of a particular form of note only made us put ourselves more entirely under Dr. Featherston's guidance in that respect. We received this letter on the 8th February

98. All the agreements were made after the receipt of that letter by you?—Yes.

99. Do you fix any particular interview at which the Agent-General represented to you that there would be no difficulty in collecting this particular class of promissory note, or do you say it is the result of what you gathered from several conversations with the Agent-General?—The question of the recovery of the money was a very serious matter to us. There was a very large sum involved, so we took the greatest precaution we could to get ourselves put in such a position that we could recover the money. Not only did I ask Dr. Featherston about this a good many times, but, as I mentioned, our solicitor consulted with him, and also with Mr. Mackrell, the solicitor for the Crown Agents, to get the best advice that could be got on the subject, and on that advice to settle the form of the note. We certainly thought, after settling the form so carefully, we should not have repudiation.

100. Your brother was in the colony. Are you aware whether he consulted his legal advisers in the colony when the original draft agreement was submitted to him?—I do not think he consulted his solicitors out here.

101. Was a draft agreement received by you from your brother?—No; we received no draft from him.

102. You are aware that a draft agreement between Mr. James Brogden and the Government was prepared?—I am aware of that, from the fact that Dr. Featherston afterwards gave me a copy

103. You had that copy before you signed the agreement in June, 1872?—Yes.

104. Are you aware whether your brother took legal advice in the colony when that draft was under consideration?—No; I think he declined to sign, and referred the matter to us.

105. In your evidence you said it was nearly signed by your brother?—No; I said that Dr. Featherston said he had nearly signed.

106. Your brother had the opportunity of taking legal advice in the colony as to the power to recover?—No doubt he had the opportunity; but he did not need to take it, as he had declined to sign it.

107. Did he make any communication to you on it?—Not beyond the letter you have got.

108. In which he did not enclose the draft?—In which he did not enclose the draft.

109. You say the Agent-General represented there would be no difficulty in collecting under the particular form which was eventually adopted?—Yes; that form was settled by him.

110. You had seen the despatch of the Agent-General of the 10th July, 1873?—It was read over to me by Dr. Featherston; not the whole of it, but the part that related to our letters of the 12th June and the 10th July

111. Was that in consequence of a request by you to Dr. Featherston that he would favourably recommend your claim to the Government?—It was the result of much negotiation with him.

112. Was there any admission by the Agent-General, when you said he had made these representations, that he had made them?—There was no denial of them.

113. But was there any admission so far as you observed. He said he would recommend your claim to the favourable consideration of the Government, but he never admitted in writing that he had made the representations you allege?—I can only answer the question by putting a parallel case. Suppose a man did not admit owing me a sum of money, but paid me, I should consider I had got all I required. When Dr. Featherston said he had recommended our proposals, I considered that to be an admission of the whole question.

114. Did you ask the Agent-General, when you had conversations, to make an admission as to the representations?—No; certainly not. I was quite satisfied with the recommendation. That covered the whole ground.

115. Did you at any time ask the Agent-General to make an admission that he had made the representations? I did. He admitted all that is stated in that letter; but I could never get him to reduce it to writing.

116. Did you ask him?—I did; but he would not give any answer.

117. What was the margin of £5 for?—That was to cover the risk of loss and the expense of collection; and a very foolish arrangement it was for everybody except the Government, and I do not think it was very good for them either.

118. I find in February or March, 1873, you had 525 men in your employ, and that on the 9th September, 1873, you had 218 men?—Yes.

119. You had then sufficient notice that your men were dwindling away very fast?—Yes.

120. Why did you not take steps then to recover from those in your employment?—We did by deducting from the wages of those who remained with us and so long as they remained with us; but as to those who had left we found it very costly, and we generally spent more money than we received.

121. Mr. Henderson, in his evidence before the Committee, said it did not pay to put the men in prison because it cost 10s. a week each to keep them there?—Yes.

122. And in the present petition you allege you were wronged by the abolition of imprisonment for debt?—Yes.

123. How do you reconcile that?—Is it necessary for me to reconcile all anomalies? If a man was free he was able to earn 6s. or 7s. a day, and the fact of a man being kept in gaol at a cost of 10s. a week would not be a strong inducement to remain there.

124. But Mr. Henderson complained that the imprisonment was useless, and you complain of its abolition?—The liability to imprisonment was to a great extent a deterrent. We had no knowledge at Home that the practice here differed so materially. At Home if a man was imprisoned for debt it was not at the cost of the creditor.

*Mr. Travers*: And imprisonment here extinguished the right to distrain at the rate of so much per month, and that is not so at Home.

*Mr. Bell*: It does not extinguish the debt.

*Mr. Travers*: No; but it extinguishes the liability to a fresh imprisonment.

125. *Mr. Bell*.] All the expenses except for transhipment were actually repaid?—No, not all.

126. Has the claim for expenses of landing, &c., ever been rendered before?—Yes, years ago.

127. Can you state the amount you have actually received. I have a statement that it is about £1,106?—I think our figures very nearly agree.

128. These moneys were repaid you for landing and medical comforts for your immigrants?—Yes.

129. The expenses which have been refused, except this small part of your outstanding claim, are expenses of transhipment?—The largest part; the rest is for medical attendance and other things.

130. About £300 you still claim for these?—Yes.

131. And you have received £1,100?—Yes.

132. I should like to ask this: Was not the real difficulty, in recovering on the notes, that you could not prove the signatures?—That was not the principal difficulty. In many cases there was that difficulty. The principal difficulty was in finding the men. The men, finding that they had to pay us a large sum of money, left our employment, and could not be found so as to be served with notice.

133. But the difficulty about the signatures of course was known to your solicitors in England?—Certainly. It was suggested at first to get the men to re-sign here, and we did send out some notes to sign, but the men were certain to be very unwilling to sign here. After that, we sent out in other ships some agent who had witnessed the signatures.

134. When you entered into the agreement of June, 1872, was the Government charging its immigrants £15?—No; £10 on promissory note, or £5 cash.

135. So, if your immigrants had to pay £15 in the colony at that time, they were in a less beneficial position: they had to pay £5 more if they met their engagements?—Yes.

136. You were aware of that difference when you entered into the contract?—Yes; but we were not allowed to send out under £5 cash, or £10 promissory note, and Dr. Featherston would not be bound by the agreement for more than a week; but held himself free to give notice at any time, and stated that he should make the terms more onerous to other applicants.

137. I understand you to say that Dr. Featherston stated that the Government terms would be made more onerous?—Yes; Dr. Featherston said and wrote that the terms on which the emigration was then conducted were too favourable.

138. You had the opportunity in England of judging what the effect upon your immigrants would be of finding that they had to pay more on landing than Government immigrants?—If the difference was a question of £10 and £15 that is one thing, but a difference between £5 and £15 is a different thing, and would create a very different impression on the minds of the immigrants. These people were very poor, and could not provide the kits the Government insisted on their being provided with before they would accept them as suitable, and we had to provide that for them. We should not otherwise have got them in time. We considered that, by giving them the advantage of enabling them to come, the difference between £10 and £15 was not so serious an obstacle.

139. You had the opportunity to consider this, and did?—Yes.

140. And you were not less competent than any other person in London to consider that?—No.

141. There was no compulsion on you to enter into that agreement?—No. It was an extremely foolish agreement to enter into.

142. You went into it with your eyes open, and you knew of this difference between the £5 and the £10?—Yes.

143. *The Chairman*.] I should like to hear from you why you undertook the duty of bringing these people out to the colony?—The reason was that we were under contract with the Government for works to the extent of £500,000, and we had negotiated a contract (which was not subsequently affirmed) for a much larger sum. It was then contemplated to give us work to the extent of £1,000,000, and naturally we knew the labour market was a very important question in reference to the carrying-out of any public works, and to have a certain control over these people would be of very great moment in keeping the price of labour down to a moderate amount. That is the reason which induced us to consider it at all.

144. Before any agreement was come to, you undertook to send out immigrants with the Agent-General?—There was an agreement of the 18th December, 1871, which bound the Government to give works to the extent of £700,000, or else fall back on No. 2 contract. There was an agreement absolutely existing for the execution of works in December, 1871. That was the groundwork of our entertaining the idea of going into immigration at all.

145. Before the contract of the 27th June, 1872, was signed you appear to have sent out people to the colony. Was that of your own motion, or under some verbal agreement?—As I said, we should have sent out 500 or 600 people to carry on the works we had in hand. Government were to give us these works.

146. But those sent out before the contract, was that done because a member of your firm here suggested it, or done of your own motion in England?—We understood there was a great scarcity of men. We had been advised by the Agent-General, and also by despatches we had received from here, that, if we made any great demands on the labour market, we should disturb it.

147. Then, this was not the result of any agreement between yourselves and the Agent-General?—When we knew we had got contracts approaching £1,000,000 we always intended to send out 500



or 600 men in some way as soon as we had the work for them; but the immigration scheme was as it were grafted on to it.

148. Before the June contract took effect did you send out any people?—Yes.

149. Was there any understanding as to that with the Agent-General?—The understanding was this: We had begun to arrange for the men in the early part of the month of March, 1872, and sent them out by the ship "Schiehallion." During the time that these men were getting ready the negotiations for the immigration scheme went on. Our first intention was to pay for the passages of those men ourselves, but as they became part of the subsequent agreement they were embodied in that. Up to signing the agreement we had sent 400 men. We always intended to have sent that number, and should have paid for them if there had been no agreement.

150. Then you commenced operations with the intention of paying yourselves for these men?—Yes.

151. Some were sent out after the contract was signed who were engaged before?—Yes. It takes a long time to get them ready. On the 28th June we sent 150 statute adults by the "Bebington," and that would make 550 men to that day. During the months of April and May we were actively negotiating the contract.

152. The immigration contract was no part of the contract for public works?—No.

153. Simply the result of negotiations between the Agent-General and yourself?—Remitted from this side for us to settle. I did not understand at first it was so remitted. I only understood that in April.

154. It was completed between yourselves and the Agent-General entirely voluntarily on your part?—Yes. It was pressed upon us with every consideration the Agent-General could urge. There were also the clearest intimations that from pressure on this side he wished us to take it.

155. You have stated you understood you were to suffer no loss in consequence of that?—We understood it was to be on the terms that we were neither to make a profit nor a loss, that it should be a self-adjusting arrangement that we were to recover the moneys and to hand them over. The question assumed at different times three phases. One was to put increased prices on the works here to cover losses. Another was that there should be a contract based on similar terms to No. 1 contract, viz., an account to be kept of the actual cost, and that to readjust itself. Eventually Dr. Featherston urged there was no finality in that plan, and that he was quite sure in the reduction to £10 we could not sustain any loss; his personal experience was a voucher for it.

156. You were merely to act as agents for the Government?—That was quite our impression.

157. There is nothing in the contract or any other document to show that?—There are letters in which we stated we considered ourselves as agents for the Government. Our subsequent letters, very early after the agreement, say so.

158. Did you receive any consideration in your public works contracts on account of these men?—Not a penny.

159. In any subsequent contract there was no arrangement as to price on that account?—Not a penny. The engineer, in his evidence, spoke most distinctly on that.

160. In making arrangements between your engineer and the Government Engineer, were the prices those ordinarily ruling in the colony?—I can only speak from information, not being here, but—

161. As far as I understand, there were two phases of the question. In the first instance, your engineer, in conjunction with the Government Engineer, agreed to the prices. Then the engineer recommended the contract to the Government. Afterwards, the arrangements were different; there was no communication between your engineer and the Government Engineer, but you tendered?—Quite so; Mr. Carruthers says this in his evidence before the Committee of 1873, viz.: "*The Chairman.*" Was your estimate not made for the guidance and information of Ministers, and in all cases was it not left with Ministers to decide upon the final price to be paid for the contracts?" Yes. [*Hon. Mr. Richardson.*] Are you not aware that in every case where the Brogdens have tendered for work an allowance was made, in dealing with their estimate, of 15 per cent. above your estimate, as the cost of the work if let by public competition?—In making up the estimate I always took out what I imagined to be the cost if let in small contracts, and to that sum I added an amount for management, profits, and the risk incurred if taken by sub-contractors. I do not remember whether the amount was 15 per cent.; I think it was more."

162. Were these questions with reference to the early part of the arrangements?—All with reference to the early part of the arrangements, that is the time he was fixing the prices in conjunction with our engineer.

163. You state you know nothing of the prices yourself?—I was not here; I had nothing to do with the fixing of prices, but I have witnesses here.

164. Have you not made inquiries?—Yes; and I am able to say these statements by Mr. Carruthers are absolutely the fact.

165. Is it your opinion, after making the inquiries, that the prices were the current rates at the time?—Yes; the current prices given to other contractors, irrespective of immigration altogether. Mr. Carruthers says so, and our own people say so; and I think Mr. Richardson himself says so. I will read: "[To Hon. Mr. Richardson]: Has any consideration been made in these contracts to the Messrs. Brogden for any loss which might fall upon them by the introduction of immigrants. I mean, has any special sum been given, or special allowance made, in regard to immigrants?—No.

[To Mr. Ormond]: Was any special allowance made to the Brogdens for any loss they might sustain by the introduction of immigrants?—In fixing the price of contracts, the two questions were never connected.

[To Mr. Reeves]: In making contracts for works, was there any special allowance made to the Messrs. Brogden for any loss they might sustain through the introduction of immigrants?—No, I am not aware of any."

Mr. Bell here put in the letter of the 10th July 1873, already referred to from the Agent-General to the Hon. the Colonial Secretary "7, Westminster Chambers, Victoria Street, Westminster, 10th July, 1873.—Sir,—I have the honor to inform you that I had yesterday a conference with the Messrs.

Brogden, at which the Hon. Mr. Hall was present. Mr. Hall, in the discussion, detailed fully the negotiations which had taken place in the colony between the Government and Mr. James Brogden. Messrs. Brogden repeated the statements made in their letter of the 12th June, which was forwarded to you on that day, and contended that they had been deceived both by the Government and myself: that, owing to the delay of the Government in giving them contracts, they had no work to give the emigrants on their arrival; that many of them consequently left their service; and that I had led them to believe that there would be little or no difficulty in obtaining payments of the promissory notes given to them by the emigrants; whereas their agents in the colony had informed them that only a very trifling amount could be recovered. Under these circumstances they maintained that they were entitled to be reimbursed by the Government for the whole of their outlay on emigration. It was pointed out to them that Mr. James Brogden had commenced the negotiations in the colony, and had been on the point of signing a contract, when at the last moment he declined on the ground that he preferred that the terms of the contract should be arranged between his brothers and myself. That in order that they might be secured against loss, I agreed that they should take a promissory note for £15 from each adult, they giving to the Government the promissory note of £10 per adult. That this allowance of 33 per cent. might be deemed ample to secure them against loss, especially as these emigrants went out under engagement with them, and on the distinct understanding that a certain amount should be deducted each week from their wages towards payment of their promissory notes. That the emigrants, consisting principally of navvies, were required for the public works they were contracting for, and were not such as the Government would have selected. That the vast majority of them were single men, who, under the regulations, if they had gone out as Government emigrants, would have been obliged to pay at least £4 in cash towards the cost of their passages, &c. This discussion, which lasted two hours, ended without any arrangement which I could recommend for adoption by the Government being proposed by them. I am free, however, to admit that, if there is any probability of Messrs. Brogden losing nearly the whole of their advances from causes not in any way of their own creating, it is not unreasonable for them to expect some concession on the part of the Government. It will be seen that the amount of the promissory notes given by the emigrants to Messrs. Brogden is £39,874 18s. 4d.; that the sum paid by Messrs. Brogden on account of the emigrants is £11,411 8s. 9d.; and that the Government hold Messrs. Brogden's promissory notes to the amount of £18,240. To meet Messrs. Brogden's debt to the Government, and to reimburse them these advances to the emigrants, a sum of £29,651 8s. 9d. would have to be recovered from the emigrants. If, as I understand, 525 of the emigrants are employed by the Messrs. Brogden, it appears to me that there ought not to be any great difficulty in recovering this amount, especially if the Government co-operated with Messrs. Brogden; but, of course the Government are alone able to form a sound opinion on the matter.—I have, &c., I. E. FEATHERSTON, Agent-General.—The Hon. the Colonial Secretary, Wellington, New Zealand."

166. *The Chairman.*] You have stated that you were not informed of many of the circumstances in regard to the difficulty of collecting these promissory notes. Do you make that statement after reading this letter of the 25th November, 1871, written by your brother in the colony, with respect to former difficulties in collecting these moneys?—We were informed that the former difficulties in recovering were through the form of promissory note not being a good one—one that could not be enforced; and we had to take special care as to the form, so as to make sure of the recovery of the money

167. Then you state that Dr. Featherston saying the power of recovery under these notes was ample, was to a certain extent misrepresenting the case?—I should be very sorry to say Dr. Featherston would misrepresent anything. I think, perhaps, he was too sanguine, because, when we were discussing that question, he said we should not have any difficulty with these men, because we were their employers, and that would be quite different from the province bringing in immigrants.

168. I do not say there was intentional misrepresentation, but that there was misrepresentation in effect?—It misled us, no doubt.

169. You have stated the Government did not provide work for the men in accordance with the terms of agreement between yourself and the Government on their arrival?—Yes. The Agent-General had not power to commit the Government absolutely to give us works—it was not within his powers; but the two things were bound together. These men were for the purpose of carrying out works. At the time of the early negotiations we had no contract at all except some temporary work at Auckland. We were absolutely sending out ships in anticipation of contracts to be made. With reference to the "Jessie Readman," these men in her arrived just as we had arranged for the construction of the Upper Hutt line. Everything had been settled except that Government wished to alter the general conditions in one respect, and to make us responsible for the designs of the Engineer. Those men disappeared wholly because we had no work for them to go upon.

170. There was no written agreement between yourselves and the Government that these men were to be employed?—No; but the whole object of the immigration was to carry out works. The despatches show the greatest anxiety that immigrants should be sent over with all possible speed.

171. What is the total amount of your claim upon the Government?—The statement is put in.

172. Yes, but I wish to have it in evidence.—£20,739 15s. 10d. on account of promissory notes and interest, plus £767 9s. 6d. for transshipment charges, but minus £1,040 received from immigrants.

173. That is to be deducted from this £20,739?—Yes; and we are quite free to admit to the extent of the 500 or 600 people we were going to send out. We do not wish to prefer any claim to that extent, because we should have done that in any instance.

174. That is to be deducted also?—Yes; £3,000.

175. And that leaves a balance of £17,467 5s. 4d.?—Yes.

176. Then your net claim is £17,467 5s. 4d.?—Yes.

177. *Hon. Mr. Richardson.*] There was a good deal of evidence on the question before that Committee of 1873. Mr. Reeves, who was Chairman of that Committee, was the gentleman who had the negotiation of the contracts with Mr. James Brogden?—Yes.

178. Mr. Henderson was your agent then, and was here in connection with your brother?—Yes.

179. I should like to call the Committee's attention—perhaps I had better read some questions,



Mr. John Henderson is asked, "(Question 25.) Do you not remember that the consideration of the difficulties the firm would certainly have to encounter in obtaining a sufficient supply of labour at reasonable rates formed a very important element in the terms granted by the Government to the firm? I wish you clearly to understand me: I mean that the probable rates of labour were urged on the part of the firm as a reason for considerably more liberality being granted by the Government?—That was one reason why we were anxious to bring out men upon the same terms as they were brought out by the Government; otherwise we should have employed labour from a much cheaper market. We were desirous of bringing out men that would be useful not only to ourselves but likewise to the colony. Had it been otherwise we would have got men from another quarter altogether. (Question 26.) The bearing of my question is this: All these considerations with regard to the cost and the difficulty of obtaining a supply of labour, including the cost the firm would be put to in getting labour from Great Britain or elsewhere, were fully urged by you in the conduct of these negotiations, and put forward as a demand on the part of the firm and admitted as a fair and reasonable claim for more liberal terms than would otherwise have been asked?—Yes, they were."—I should like to ask whether the claim is based altogether subsequent to the action of the Government in June, 1872, or whether you had any claim on the Government in connection with immigration before that?—We were sending out immigrants before the actual terms were settled. I do not think it possible to draw a line as to all that was done prior to the agreement being signed, because on the 2nd May the Agent-General writes saying the terms were settled but were not reduced to writing. The contract itself was not drawn up and signed until the 27th June.

180. *Mr. Barron.*] In addition to the contract embodied in the promissory notes I understand you had another contract. That was an agreement binding the men to you for two years?—Yes.

181. Were you able to enforce that?—No; unfortunately, at that time there was no law of master and servant, I believe; here as in England, we were never able to bind the men.

182. You have not made any claim upon the Government because you were unable to enforce that?—No. That was a very serious disappointment to us, because it defeated all our calculations. But we cannot make a claim on that account; that is too remote.

183. In your main contract you allow 10 per cent. for profit, 5 per cent for management, and 12½ per cent. for contingencies?—Yes.

184. Then you had a margin upon the promissory notes of 50 per cent., apart from the general contract?—Yes; that is, 50 per cent. on the passage-money. We advanced more than half as much again in the way of payments per kits. In June, 1872, before we had made this agreement, instructions were sent to the Agent-General from this side not to demand payment of the £1 for ships kit and to pay the expenses, if necessary, of taking people to the ship instead of their paying their own expenses. All this is not included in the £10 we paid for passage-money.

185. You were entitled to recover £15?—Yes.

186. And were only expected to pay the Government £10?—Yes.

187. And the other £5 should be?—For the loss of collection, and the risk of losing by deaths and people falling into sickness. Mr. Barron: for bad debts, in fact.

188. Have you endeavoured to exhaust the parties to these promissory notes?—Not in every individual case. We found it was a very unprofitable business; the expenses were so large. We spent £735 in trying to recover in law expenses alone, besides the expenses of our own agents. We have recovered some money by legal proceedings.

189. It was so expensive you abandoned all idea of recovering more money from the immigrants themselves?—Yes. Of course the time for recovery has now expired by the statute of limitations. It has only just expired.

190. Before the time had expired, you did not use all necessary means to recover, simply because it was unprofitable?—We took all possible means, but we could not find the people to a large extent. I would rather you would ask Mr. Billing these questions, because he practically had the carrying out of it, and can give more direct evidence than I can.

191. When you entered into the contract with these immigrants, you knew exactly so long as they remained in your employment you had the opportunity to recover?—We had control over them.

192. But when they left you found it very difficult and costly to enforce the contract?—Yes.

193. When you entered into the contract in England you took that risk?—Yes; to that extent—i.e., of having to enforce a contract which, for all we knew or were informed, was binding in New Zealand as in England, and which the Courts would uphold.

194. You knew there was a risk of their leaving your employment, and knew, if they did, the difficulty and cost would be greater?—We understood there were no other works going on, so that they could not find employment if they left us. We expected there would be a certain percentage of desertion, and were quite prepared to meet that; but we did not conceive there would be wholesale desertion, as we expected the law would be effective to prevent that. The whole scheme proved to be unwisely drawn up. Men found that they had £15 to pay, and were much disgusted when others had to pay only £5, and so they went to work for other employers. When men came on Government terms, and were left free from prosecution by the Government, our men thought they should be put on the same level. If the Government had prosecuted for the recovery of their £10 promissory notes from immigrants we should have had a better hold upon our men; but the Government early gave up proceedings for the recovery of their notes. As I said most distinctly, it was never contemplated by us to make any profit out of this immigration. The margin was only given to cover losses which might reasonably be expected to occur, and the scheme was not our own.

FRIDAY, 15TH JULY, 1881.

Mr. A. BROGDEN's examination continued.

195. *Mr. Turnbull.*] Did you take into consideration, in accepting the contract for works, that you would have to import your labour?—No; but we certainly contemplated that we should have to send out 600 or 700 men.

196. Were not contracts taken under the open system at a much lower rate?—I am not able to reply from my own knowledge; but I believe that many of the contractors who have taken contracts at low rates have failed.

197. Did your firm succeed in obtaining any contracts under the open system?—I do not remember if we tendered for any under that system.

198. Was the extra £5 taken as a guarantee? That was the sum fixed upon by Dr. Featherston, as being sufficient to guarantee us against loss; and, if we had recovered that, it would have gone to reduce the loss we might sustain from others failing. That £5 was intended to cover the risk arising under ordinary circumstances.

199. Was it to enable you to take all the risks yourselves?—No; I do not think so. We were acting, as it were, under Government advice. The Government were taking promissory notes of £10 each from other immigrants; but they have not recovered the amount of those promissory notes.

200. How much did you claim?—We claimed £17,467 5s. 4d.

201. Is that the only sum which, under the circumstances, should be paid to you?—That is the only sum which, under present arrangements, we ask to be paid; but even then we would suffer a very large loss. We do not claim from Government the amount of money which we paid for immigrants' kits, &c.

202. You stated that if you had sent out 600 men, you would have been at the expense of about £3,000 in doing so?—Yes; if we had sent out these 600 men, we should have sent them out at £5 each, as that was the arrangement on the subject with Dr. Featherston.

203. Does this number of immigrants include the men's families?—In that case, we should not have selected men with families at all. We should have selected special men, who would either go to the colonies leaving their families behind them, or those who had no families. Of course, there might have been a few exceptions, if we wanted special men; and, in that case, we might have sent out their families also. In the 18th paragraph of the petition, we say: "Out of the 2,000 male immigrants and their families contemplated to be sent out by your petitioners, 1,877 statute adults, or 2,174 persons, were actually forwarded, and of these, no less than 887 or 41 per cent., were women and children—a class much more valuable to the colony than to your petitioners."

204. Would the men have been likely to have left without their families?—Many of the first men who were selected went out leaving their wives behind; but men with families would probably make better settlers than men without them.

205. In your agreeing with the men, did you take any particular care to find out that you would be able to enforce payment of the promissory notes?—We concluded that the law would enforce payment of the promissory notes. We thought the law of master and servant, or some other similar law, existed in this colony; and we considered that, if such were not the case, either the Agent-General or some of his officers would have informed us of the fact.

206. Do you know that repeated attempts were made by your brother, whilst here, to bring the Masters and Servants Act into operation in this colony?—No, I do not know that he did; but in those days there was no telegraph between here and England, and communication was necessarily delayed. And between March and 2nd May, when this agreement was first under consideration and settled, it was impossible to get information on all subjects of this kind, properly and in time.

207. I understood you to say that you gave two bills to Government for £18,240?—We gave them several bills.

208. At that time, when you knew the Government were bringing out immigrants at such prices, did you enter any protest?—Yes, undoubtedly we did; and we should have resisted payment of the promissory notes in the English Courts, I think successfully, but here we could not do so. The Government deducted the money for the amount of the promissory notes forcibly, from moneys which they owed us for works done. The fact of the matter is, that, while we were sending out immigrants, and were charged by the Government £10 each, they were sending them out for £5 each. We have had to pay twice as much as any of the others. The very month of June, 1872, in which the agreement of 27th June was signed, instructions were sent from here to alter the Government terms, making them more favourable to immigrants—viz., the £1 which was required from each immigrant for his kit, was after that time to be at the charge of Government, and not of the immigrant; and there was a great modification of the terms altogether, and a constant diminution of the charges to the immigrants. All this time, however, we were made to pay the £10, and the £1 for ship's kit. (It is to be observed that, before there was any deduction made from our contract moneys for the amount of the promissory notes, we made our appeal to the Agent-General, viz., in June, 1873.)

209. Were the deductions on account of promissory notes you refer to made in England or this colony?—They were made here. The letter of the 10th July, 1873, produced at last sitting of the Committee, is the answer to our appeals in the previous month. I would repeat here that, if Government had attempted to recover the money for the promissory notes in England, we should have resisted their claim before the Courts of Justice.

210. Did your representative here try to resist the claim?—Yes.

211. I believe you paid here a good deal of money away in cash?—Yes; for medical treatment, &c.

212. Had it anything to do with the transshipment of immigrants?—No. Some expenses connected with the landing, &c., of immigrants have been repaid to us by the Government; but I do not consider these transshipment charges. In respect of transshipping these men from one port to another, we have paid £767. We were urged to send the men out by the Agent-General, and, at the time many of them came out, we had no works to put them on at the place they arrived at; and we had in many cases to send them to other ports. In fact, the Government put pressure both upon us and the Agent-General to send men out, before the contracts for works with us were entered into.

213. In your letter to the Agent-General, your agent seems to have been aware that considerable difficulty existed in collecting the moneys for promissory notes?—Yes; but we thought that some mistake might have been made in the matter; and Dr. Featherston assured us that our agent must have been in fault. As soon as we found out that difficulty was experienced by our agent here, we stopped sending out immigrants. The last few ships we sent out contained only the people with whom

we had previously come to an agreement. At that time strikes were frequent in England, and, if it had not have been for that circumstance, we should not have been able to get men to come out. Practically, we did not send anybody out after we had received this unsatisfactory intelligence.

214. Did you not receive considerable benefit through bringing these immigrants out—did not the fact of their coming out enable you to obtain labour cheaper than you otherwise would?—For the time being, there was a considerable influence in the wages, through the number of immigrants coming out; but, immediately afterwards, Government let other contracts for public works to many other contractors, and there was great competition for labour.

215. In a letter from Sir Julius Vogel, written on the 3rd July 1874, he says: "In considering the amounts they were to be paid, Messrs. Brogden and Sons frequently referred to the expenses they might have to incur in importing labour, and the prices fixed included heavy margins for contingencies." What was the margin for contingencies?—At Home, 10 per cent. is the margin generally put on. That percentage will secure you a little profit with good management, but with bad management you are certain to lose on it. In this case we charged  $12\frac{1}{2}$  per cent., which, in a new country, I consider fair. At the same time, the extra  $2\frac{1}{2}$  per cent. was not profit.

216. It appears, also, that your firm is favourable to the payment of a high rate of wages?—That is absurd. So long as we had the largest amount of work in hand we kept the wages down to a moderate rate, but after that they became outrageous.

217. Were the immigration contracts and the contracts for works in any way connected?—The two things stood entirely on their own bottom—that is to say, the immigration and the works contracts were entirely separate and distinct undertakings.

218. Who arranged these matters?—Mr. Henderson, on our part, arranged the prices for the works, and Mr. Carruthers on the part of Government. Subsequently, however, the works were let by tender.

219. In the making up of your accounts in connection with these contracts, how does this immigration matter stand?—We have kept a separate account of it altogether.

220. Has it ever been taken into profit and loss?—Yes; we were obliged to do that.

221. *Captain Kenny.* When negotiations were first commenced between you and the Agent-General, with reference to immigration, had there been any agreement respecting the contracts which were afterwards entered into, or proposed to be entered into, between you and Sir Julius Vogel?—No. There were preliminary contracts entered into in England which were not ratified by the Assembly; but that was previous to our entering into the immigration arrangements. Then that led to a suspensory agreement; and all agreements, both that for the £4,000,000 and that for the £500,000, were suspended, although the contract for £500,000 was binding both on Government and on us. All these contracts were suspended, pending negotiations that were going on. About that time we were authorized to go on with certain works in Auckland, for which we should be paid on certain terms, until new terms were arranged. The new contracts were not arranged till August, 1872.

222. Your proposition to assist Government in introducing immigrants was to your own interest, as you looked forward to employing men largely in New Zealand, and knew that the price of labour would probably rise in consequence of the influx of capital and the extra employment. You say there was a necessity for doing what you could in the way of reducing the price of labour in the colony?—Yes; but it was not our proposition. The negotiation was commenced by the Government, and we undertook this matter at their request.

223. It was simply as a business man that you entered into this arrangement, and not from any sentiment at all?—Yes; it was simply a business arrangement.

224. You contend that, having to some extent furthered the interests of the colony, you are entitled to some compensation?—Yes; but we have, even in that point of view, been charged twice as much by Government as the Government have charged anybody else.

225. May I ask you whether, in making that complaint against Government, you are guided by the same line of argument which you would adopt if you were transacting business with a private firm?—Yes, if the provisions were the same. If, for instance, I took a contract for carting material on a road on which there was no toll-bar, and if afterwards a toll-bar was erected by the person with whom I had contracted, I should certainly have felt myself entitled to compensation in consequence of having to pay toll-dues, which I did not contemplate when I took the contract. I should say, in a case of that sort, "I am entitled to have these dues remitted; but, if I am compelled to pay them, I am entitled to some compensation from the person from whom I took the contract."

226. Did you not apprehend that the Legislature would interfere with the law of the colony relating to imprisonment for debt?—You must remember that these things are in the nature of conditions precedent. It was upon the assurance of a certain person that we entered into this agreement, and, if the conditions which he set forth were altered, the results must be altered also. The conditions precedent were that we had certain security—we were assured that we had that security by the Agent-General, who was the representative of the Government.

227. You have, of course, examined the proceedings of a former Committee. I see from the papers that Mr. Henderson was asked a question before the Committee to the following effect—it is on page 5: "Do you not remember that the consideration of the difficulties that the firm would certainly have to encounter in obtaining a sufficient supply of labour at reasonable rates formed a very important element in the terms granted by the Government to the firm. I wish you clearly to understand me: I mean that the probable rates of labour were urged on the part of the firm as a reason for considerably more liberality being granted by the Government." The answer to that question was: "That was one reason why we were anxious to bring out men upon the same terms as they were brought out by the Government. Otherwise we would have employed labour from a much cheaper market. We were desirous of bringing out men that would be useful, not only to ourselves but likewise to the Colony. Had it been otherwise, we would have got men from another quarter altogether." The difficulties of the labour market it seems by this were taken into consideration by your agent here, or by yourself in going into this matter?—That we were bound to consider that we should disturb the labour market very much was pretty manifest. I may say that Mr. Gisborne distinctly

states, in his despatch of the 25th November, 1871, that Government had opened negotiations with Mr. James Brogden.

• 228. You have said that you had no desire to make a profit, nor did you wish to make a loss by this work. Now, as a contractor of large experience, you must know how very important an element the cost of labour will be in taking a contract, and consequently you would naturally leave a large margin to meet the case of a rise in the price of labour?—Yes; but that only refers to the labour we employed, not to the men we imported under the emigration agreement. The price we paid for the labour we employed was that on which we based our contract price, and we charged accordingly; but this is a claim for sums paid on account of immigration. No doubt the introduction of so many immigrants would have an effect upon the labour market, and we complain that we should receive only a partial benefit while bearing the whole cost, and further that the Government have charged us twice as much as they have charged any other persons, whereas the colony, and not us, has had advantage of these people.

229. You, in making the allowance for the rise in wages, would simply be following the law elsewhere?—Yes.

230. You no doubt made your contract with the view of recouping yourself by paying a lesser price to the men you brought to the colony than they would have got elsewhere?—No; they would not work for us for less than they could get from anybody else. We were to pay them a minimum wage of 5s. per day but at the same time, if the minimum rate of wages in the colony was greater than that, they were to receive the current rate. The agreement was that any dispute respecting the rate of wages that might arise should be settled by the Governor. We actually introduced more adult males than the Government did during the same time, and we did so at our own expense, while, at the same time, we have paid double the amount charged by Government for bringing out other immigrants. We had to pay in passage-money alone for our 1,300 males and their families £18,240, while Government introduced 3,262 people at a cost to the emigrants which at £5 each would be about £16,000.

231. You say you think that it is unfair that Government should have charged you twice as much for your immigrants as they paid for their own—will you explain that?—Yes. The utmost price Government charged to any immigrant for cash was £5, and they charged us £10; that is to say, if an emigrant applied for a passage to New Zealand he would only be charged £5 by Government, while if we sent him out we would have to pay £10 for him.

232. If you applied for your immigrants to be sent out for £5 for each immigrant, would you not be able to get it?—No; they would not allow us to take advantage of that assisted scale. Our promissory notes were really cash, because Government took the money due to us to pay these notes, and Government also greatly relaxed the terms to the other persons going out.

233. When you found Government would not accept your terms, were you obliged to accept their terms?—No; we could not have been bound or compelled to send out one man.

234. And when you found that Government were imposing too onerous duties upon you, why did you not refuse to send out any more?—Look at Dr. Featherston's letter of the 16th July, 1872, and the despatch named in it, and consider whether we could have thrown up the contract and declined to send out more men. We could not tell actually whether we would have work given to us on the date of the arrival of these men, and at the same time we were pressed to send them out.

235. You continued to send out immigrants thinking that your agreement was valid?—Yes.

236. What was the date of Mr. Travers's opinion?—5th September, 1872.

237. After you found the agreement was invalid, you determined to send no more immigrants?—We sent a few people with whom engagements had been made, but as soon as we found that arrangements were unsatisfactory we ceased sending people out.

238. *Hon. Mr. Dick.*] How many men did you agree to bring out?—2,000 men with their families, altogether not exceeding 6,000 persons. We were bound by Government only to charge £15 per head.

239. When you first entered into this agreement, was Government bringing out immigrants?—Yes; but not very largely.

240. Were they doing it at £5 per head then?—Yes, for assisted and nominated immigrants; for other immigrants the price was £1 deposit, and a promissory note for £10.

241. Then you knew, when you entered into this arrangement with Dr. Featherston, that, whilst you were charging your people £15, Government were bringing out immigrants for £5?—Yes; £5 in cash, or £10 in promissory notes.

242. Did you represent to Dr. Featherston the improbability of people coming out by you for £15, whilst they could come out under the Government scheme for £5 cash?—We were charging £5 more to our knowledge than the others who gave their promissory notes were being charged, and we were putting our men to that extent to a disadvantage. But, on the other hand, our men were in a somewhat better position than the others; because, whilst Government required theirs to provide themselves with a certain quantity of clothing, &c., and to pay £1 for ship's kits, and to travel to the ship at their own expense, we provided our men with the necessary kits, clothing, &c., and paid their expenses.

243. Have Government prosecuted the men for not paying their promissory notes?—They have ceased to prosecute.

244. When do you consider your arrangement with Dr. Featherston to send out 2,000 men ceased?—We determined to cease sending out men in November, 1872. I will put in a letter from our firm in London to the firm here. It is as follows: "We have received telegrams during the past week, urging us to stop emigration from England. No further vessel has been engaged for our emigrants, and operations are now suspended. It may, however, turn out that in a few districts a few families have been promised that they should follow by the December ship, and, as we know that several have been discharged from their employment, and turned out of their cottages in consequence of having applied to us for employment, we may find it difficult to refuse to send them out. None will, however, be sent unless we are positively committed to do so. A very large amount of money has been already

invested in this department, and we shall look anxiously for advices respecting the men's conduct, and their arrangements and intentions respecting repayment.—H. TWELVETREES."

245. You say that between June and September you ceased to send out immigrants?—During that time there was a suspension, but not a stoppage.

246. Then you did not consider that agreement very strong?—No; that is not the view to take. We suspended sending out emigrants in June, because we had no works to employ the men upon, and we did not then know where to send them.

247. Then Dr. Featherston was not insisting upon your sending out men?—Yes. See his letter of July. We sent out 1,877 statute adults, of whom about 1,300 were men. We were prepared to have sent out about 600 of those men ourselves on Government terms.

248. Was that ever proposed?—Yes, and agreed to by the Agent-General. That was when we were contemplating sending out men on our own account, but before we had begun to do so. The letter is dated the 8th February, 1872.

249. And afterwards you sent out a number of men on the same terms?—No.

250. I see, by the return put in (Statement D) that during the years 1872 and 1873, when you were sending out immigrants, the wages were lower than they had been at other times?—Yes.

251. Does not that show that you got the full benefit of the fall in wages?—No; but if we had continued sending out men the labour-market would have still further declined.

252. Does not the fact that Government brought out immigrants indicate that they did something to help to lower the rate of wages?—On the contrary, the return I have put in shows that up to the year 1875 the rate of wages was continually increasing.

253. *The Chairman.*] You stated that Government had altered the terms of payment in introducing immigrants?—Yes.

254. When was that?—I could only quote that from hearsay. They began in September, 1872. In August or September they ceased to require £1 deposit. There is a despatch from Mr. Reeves, dated the 5th June, 1872, to the Agent-General, in which he says, "This clause is to be struck out. The cost of reaching the port of embarkation, the dock fees, and the 20s. or 25s. per adult charged for mess utensils and bedding, together form an amount which, in a great number of cases, must prove an effectual barrier to the emigration of agricultural labourers and other suitable persons. Where emigrants can pay these amounts, they should do so; but I cannot too strongly impress on you the necessity there is that you should pay the railway fares and other charges for those who cannot pay for themselves, rather than lose desirable emigrants. I am informed that nominated emigrants, who have had small sums of money remitted to them for railway fares, have declined passages simply because they have been unable to raise the additional 20s. or 25s. per adult demanded for their bedding, &c.; and where the cost of railway fare has to be borne also it must undoubtedly largely tend to a similar result. As it would be unfair to make some pay and not others, you are authorized to add whatever amounts you pay on these heads to the promissory notes of the emigrant incurring them. In confirmation of the views I have above expressed, I enclose a letter written at my suggestion by the Rev. G. C. Cholmondeley, a clergyman long resident in Canterbury, who, from his knowledge and experience of the condition of the agricultural labourer in the Old Country and in the colony, is well qualified to offer an intelligent opinion on the subject of emigration. I send you the letter, not only because I fully agree with him in thinking that it is necessary to furnish agricultural labourers and others with the cost of conveyance from their villages to the docks, but because I think the suggestions he makes are, as a whole, worth your attentive perusal."

255. What would that amount to per head?—£2 or £2 10s.

256. When did that letter reach England?—In August, 1872.

257. At what time did you obtain a knowledge of these things?—In November, 1872. Mr. Waterhouse, who was then Premier, telegraphed over: "Insufficient immigrants. Division between provinces not accordant with instructions as pointed out by memorandums 114 and 115. Consider following instructions absolute: Open immediately central Irish Agency in Dublin. Send fair proportion emigration therefrom. Place Scotch Agency on original footing of efficiency. Send Scotch emigrants from Glasgow. Complete with utmost despatch number emigrants specified in Gisborne's memorandum 25th November last, exclusive of nominated and Brogden's, and if necessary make terms more liberal." And, again, Mr. Waterhouse says, "Government decide, if number of emigrants ordered not been despatched, you relieve emigrants of cash payments for passage to shipping port, luggage, or outfit, leaving to your discretion addition of these payments to immigrants' notes. Telegraph number emigrants sailed since 22nd September." I believe that was acted upon immediately.

258. When did these matters come to your knowledge?—Not for a long time afterwards. Mr. Reeves's despatch would not be heard of by us until some time after the telegram had arrived.

259. I suppose, practically, very few immigrants were sent out by you after you found that the relaxation you have referred to had been made by Government?—Yes; there were only two small lots of 99 and 7 respectively.

260. I understood you to say that, Government having relaxed their terms, you suffered loss, whereas, if they had not done so, you would not have lost anything?—Yes, that is practically the case.

261. You stated you ascertained that the agreement you entered into with Government for sending out immigrants was invalid?—We were so advised by Mr. Travers, but the Courts have since held that it was not so.

262. What did he advise with respect to the agreement you had entered into?—I will put in the advice. It is as follows: "I am of opinion that this contract is *ultra vires*. The 4th section of the Act of 1871 requires that all contracts under that Act or under the Act of 1870 shall be in the name of the Queen, the Governor having no power to contract in his own name, and still less to delegate the power of contracting.—W. T. L. TRAVERS.—5th April, 1872."

263. If the agreement is invalid, what claim has Government upon you for promissory notes?—If they had only gone against us for the promissory notes in England we should not have been here, and should have resisted their claim. But, instead of doing that, they retained moneys which were due to

us here, and the Courts of law have since held that they are right in doing so, on the ground that there was a proper set-off.

264. The contracts were accepted with that indorsement by you?—The contracts made before could have had the same indorsement put upon them by virtue of this agreement.

265. Before the 27th June?—Made before this document could have reached New Zealand. In fact it could not have reached here until about the end of August.

266. Were the contracts signed by you with that indorsement on them?—No; those that were indorsed were so indorsed afterwards.

267. Indorsed with your consent?—We followed out the agreement, which bound us to agree to the indorsement. It was done in a way neither with our assent nor dissent.

268. But could you have received contracts, and objected to that indorsement on them?—I think so. This immigration agreement entitles them to the indorsement upon all the contracts.

269. On the 27th June the agreement was made?—Yes. This is the memorandum, in fact, which was indorsed.

270. Why was that not on all—that indorsement?—I think Mr. Henderson objected to it. There was ample under any one contract to cover all the moneys.

271. There were sufficient funds under one contract to cover the whole liability?—Always.

272. And when the Government kept back the money, was it under one contract?—Yes, it was under one. And they deducted the moneys before they were absolutely due: they paid themselves in 1876 for moneys that really were only due in 1877.

273. *Mr. Cave.*] With reference to some questions that were asked you by Captain Kenny: In the year 1872 you were constructing 180 miles of railway, while other contractors were only constructing 70?—Yes.

274. At that time the rates of wages were lower than at any subsequent time?—Yes.

275. But they were then slightly above the minimum rate of wages fixed under your agreement with the men? Yes; the minimum rate under our agreement with the men was 5s. a day.

276. So that at that time you had practically the command of the labour market?—You may say we had the command of it in one sense. We had it to a very large extent.

277. But, as other works were given to other contractors, the rates of wages increased?—Yes.

278. The result being that your immigration benefited other contractors rather than yourselves?—Yes, other contractors were benefited along with the rest of the community.

279. To what extent would your immigration scheme have extended for the purpose of your own works if it had not been for the agreement with the Agent-General?—As I stated before, we should have sent out 500 or 600 men.

280. Five hundred or 600 men, with no wives or children?—Not many with wives or children.

281. Referring to the contract of the 18th December—the temporary contract—under that you were to receive 10 per cent. profit only upon the actual expenditure?—It was not 10 per cent. profit, because we had large expenses running on as well. The contract was only about £16,000 altogether for works here.

282. And there was no allowance made under that for cost of immigration?—No; we were to receive the absolute outlay plus 10 per cent. As I said, it was only £16,000 altogether.

283. The actual expenditure was vouched, was it not?—Yes.

284. I believe, before entering upon the contract, you had to provide a large capital?—Yes. Before we received anything back in England from the moneys sent out here, we had advanced something like £80,000; that is, we paid away that before we got anything back from this side. I do not say we did not get our money from the Government as soon as it was due to us. I do not wish to be understood to insinuate that for a moment. I merely mention it as a fact that it required a very large advance of money before we got anything back. Altogether we had paid about £80,000 out of pocket before we had any return.

285. And the remuneration you got was 10 per cent.?—Yes, an estimated 10 per cent. As to the 12½ per cent. for contingencies, of which an honorable member spoke, it is a question whether you could make 12½ per cent. pay or not. With good management a little might be got from it, but with bad management there would be a loss upon it. The 5 per cent. for management does not cover the cost, because from it all office expenses, and travelling expenses, and a number of other charges have to be taken. The 10 per cent. only is the estimated profit, and that is much eaten into by various things.

286. A question was put to you by Mr. Bell, in cross-examination, asking why you did not take steps to recover from the men in your employment when you found the number of men was dwindling down?—Yes, I wish to correct the answer to that question, which is either imperfectly written, or I misunderstood it. We did take steps to recover with reference to our own men, not by prosecuting, but by deducting the money from their wages. The money was only due by instalments, and we deducted them while the men were in our employ. We retained the instalments from the wages.

287. And you were only entitled to deduct so much per week?—Just so.

288. Of course it was unnecessary to take proceedings against men who were actually in your employ?—Quite unnecessary. I should think that would be just the way to drive the men away if we deducted from their wages and prosecuted them as well.

289. So that it was not until the men absconded that proceedings against them became necessary?—No.

290. In reply to a question by Mr. Barron, you stated, when you entered into the contract in England, you took the risk of having to enforce the contract with the men for service?—Yes, that was a risk we did take, but the answer written stops short of the actual reply. The question was in relation to the engagement with the men. We took the risk of having to enforce that engagement under what we supposed to be the law of the country. These engagements were carefully considered by the Agent-General, and he said they would be enforceable. The mode in which wages were to be paid in case of dispute was actually settled by him. The risk we took was the risk of having to enforce our engagements with the men. I admit we could have gone against them for damages for breach of

contract, but going for damages against a number of immigrants whom you have been obliged to find even in clothing would be a very unprofitable business.

291. So that practically you had no means of enforcing those engagements?—No.

WEDNESDAY, 20TH JULY, 1881.

Mr. JAMES BILLING, examined.

292. *Mr. Cave.*] You came to New Zealand in the year 1872 on behalf of Messrs. Brogden, and took charge of the immigration department, I think?—I did.

293. Will you state to the Committee, as shortly as you can, the difficulties you had to contend with in recovering the amounts of the promissory notes from the men, stating first the difficulties raised by the men, and the grounds on which they refused payment?—I may commence with the first vessel, the “*Schiehallion*,” which arrived about the 9th July, 1872. There was no work for the men at that time, as no contracts had been entered into. We had no work in Wellington. The men were kept on board the vessel three or four days, and by that time the Picton and Blenheim contract was arranged for.

294. There was no work in Wellington, but you had the Picton and Blenheim contract?—Yes; so we shipped the men over there, but, previous to their going, there was considerable agitation amongst them, owing to men from the shore interviewing them regarding the rate of wages that was to be paid. A deputation from our men came on shore, and had an interview with Mr. Henderson and myself, and we arranged to give them the ruling rate of wages at Picton. They then went over there.

295. Did they continue working for the firm for any length of time?—No, they gradually dropped off. Not more than 25 per cent. of those who went over stayed with us, and we had to fill the places of those who left with local labour. Our men who left went to work for farmers and others, to the gold-diggings there, and other employments. Some of them objected to pay on account of the large amount of the promissory notes, refusing to have deductions made from their weekly wages.

296. Can you speak as to the men by the “*Halcione*”?—Yes, they landed in Wellington. At that time the Wellington and Hutt contract was just starting, and these men were put on to work there.

297. Sixty-two men came in that ship?—Yes; we lost them all except about ten or twelve. They left and went to other employments.

298. Was that the case with all the ships?—With certain ships the percentage of those who left us was considerably greater than with others: for instance, the ships that went South. The “*Bebington*” arrived here when the works on the Wellington and Hutt line were suspended on account of alterations in the plans being made by the Government Engineer. Those men were sent some to the Bluff and some to Picton. The “*Lady Jocelyn*,” another ship, arrived at Canterbury and, there being no work for our men in that province, they were sent on to the Bluff. The “*Forfarshire*” arrived in March, 1873. The Wellington and Hutt contract was well in hand then, so we sent them off to Oamaru, where we had a contract. The “*Lutterworth*,” another vessel, arrived at Dunedin early in April, 1873. She was the last for us. At the time she arrived we had landed over 600 adults in Dunedin, and, as we had no work for the “*Lutterworth’s*” men there, they were shipped off to Oamaru.

299. And the “*Jessie Readman*”?—She arrived on the 15th December, 1872. Just about the time she arrived we were in negotiation for the Upper Hutt contract, which we did not succeed in getting, as the Government insisted on the withdrawal of certain parts of the conditions which protected us from loss if the designs were imperfect or faulty. We got two days’ work for the men from the Provincial Government on Evans’s Bay Road. The Provincial Government were anxious the men should not leave this province; but, as we had no further work for the men to go on with, they left us almost to a man.

300. As to these ships, you say the Government did not provide works on which the immigrants could be employed as they arrived—the firm was not provided with work on which to employ them?—Yes, in the case of the vessels I have mentioned. In the case of the “*Lutterworth*,” which arrived at Dunedin, we had already quite sufficient men there for the works which were being carried out, and those men were sent to Oamaru. No Government immigrants had been sent there up to that time. Our men were enticed away at once when they found they could get employment elsewhere, and thus could get rid of their liability to us by distributing themselves all over the province.

301. Was the cost of transhipment paid by the Government?—No; we paid it all.

302. Was the claim for this sent in to the Government from time to time?—Yes.

303. And this is one of the claims now put forward?—Yes.

304. From those men who absconded, did you attempt to recover the promissory notes?—Yes; we took every available means, and went to considerable expense in doing so, far exceeding any recoveries made from them.

305. What difficulties in the law Courts had you to contend with—anything in connection with stamps?—Yes; that was one of the objections raised in several cases—that there was insufficient stamping, and the men left our employ to evade paying the one-fifth of their wages on account of their promissory notes. In taking work under sub-contractors, the men refused to allow the sub-contractors to take off the one-fifth from their wages. Some of the men were under age, and in the actions we brought against them we were nonsuited on the plea of infancy.

306. Were you able to restamp the notes in the cases taken into Court?—Yes; but, when the cases came on again to be tried, the men had cleared out.

307. You were unable to stamp them while the cases were pending in Court?—Yes.

308. Were any efforts ever made to enforce the agreement for service?—Of course we produced the agreement; but the men, on the other hand, brought theirs forward, and said that we had promised to give them work when they arrived. This was notably the case with those who came by the “*Jessie Readman*.” They said that, as the agreement had been broken by us, they were no longer bound by it.



And with other ships. Some of the men by the "Bebington" and "Forfarshire" refused on that ground.

309. Have you any return at all of the number of cases brought into Court and the amounts?—We had one hundred and thirty-three cases tried.

310. I believe in some cases the men went through the Bankruptcy Court?—Yes, in many cases. Of course that was when they were very hardly pressed by us for payment they filed; that was their last resort. When they found they could not get away they filed, and so got out of their liability in that way.

311. And they got their discharge?—Yes. There was one case, that of Charles Mallowes. He went under an assumed name. We got witnesses to prove he was the same Charles Mallowes we imported. In that case Judge Johnston spoke very strongly about the injustice of our having to lose our money that way by some of the men taking advantage of the Bankruptcy Act to evade their liability to us. I will read an extract with reference to this case from a newspaper: "The case of Charles Mallowes, heard in the Bankruptcy Court yesterday, should go some way in convincing the Government of the propriety of the course we advocated the previous evening—that of cancelling all outstanding immigrants' promissory notes, and arranging with Messrs. Brogden to place their immigrants on an equality with those of the Government. Mallowes was a man with a family, and earning only £2 a week, yet with a debt of no less than £64 hanging over him on account of passage-money. No doubt his position in the colony was a decided improvement on that which he occupied at Home, and the debt was fairly and honestly due to Messrs. Brogden. His Honor Mr. Justice Johnston very properly pointed this out, but he also drew attention to the fact that the colony had benefited by the introduction of Mallowes and his fellow-immigrants, and that it was most unjust that Messrs. Brogden and Sons should be the only losers by the transaction."

312. *Mr. Bell.*] Can you tell us who wrote that article?—I cannot. I knew nothing about it until I saw it in the paper.

313. *Mr. Cave.*] Does that give a report of the proceedings in the Bankruptcy Court?—Yes.

*The Chairman.*: It is comment upon the case.

*Mr. Cave.*: First the report of the case is given, and then the paper proceeds to comment on it.

314. *Mr. Cave.*] Some of the men, I believe, refused to allow you to deduct from their wages on account of the promissory notes?—Yes.

315. Where was that?—At Napier, Invercargill, and Dunedin.

316. Did the Courts uphold them in their refusal?—When we sued the men we invariably got judgment, except for the reasons I have stated. In most of the cases we took into Court we got judgment; and soon afterwards the men cleared out.

317. Then the judgment was really of no use to you?—Not the slightest.

318. And then did you put in force the Act empowering you to imprison debtors at all?—In many cases.

319. With what effect? Did you find it had any beneficial effect?—No; we found we had to pay the maintenance fees—so much per week. In several cases the men preferred to remain in gaol, and would do their term through obstinacy. In cases where men had large families we did not go to such extremes; we confined it to single men. We did once put in a married man called Knight, a man with a debt of £60 or £70; but his wife came to me in great distress, and I released him, and never put in another case of that sort.

320. Altogether you found the Courts unavailable?—We could generally get judgments, but we could never recover anything appreciable under them.

321. You did everything in reason to recover?—Yes; we left no stone unturned. Of course if we could have got at other men we might have sued them too, but that would be at great expense. Sometimes the men, as in this province, might be eighty or one hundred miles up country, where the writs would have to be sent and the chances of getting anything would be very small.

322. *Mr. Bell.*] From your experience in this litigation, can you say whether there is anything in the law of New Zealand that prevented you from recovering your money different from that which existed in England?—I cannot speak as to that.

323. Were you informed by your legal advisers of any difference?—No, I cannot recollect anything of that sort. The difficulties here were the pleas that I mentioned. In the majority of cases we got judgments, but the difficulty was to carry them out to recover anything under them.

324. But your legal advisers did not advise you that there was any difference in the law of New Zealand and that of England upon that point?—I do not remember that they did.

325. And the principal reason why your immigrants refused to pay was the difference in their terms and those of the Government immigrants?—Yes.

326. Do you think the *quantum* of the difference mattered at all?—Most decidedly. That was the main objection of these men on arrival here, that the Government immigrants who came out in the same vessels —

327. You do not understand my question. The fact of there being a difference between the terms was the reason alleged by your immigrants for not paying; but did the amount of the difference have any effect. Would the payment by the Government immigrants of, say, £5, instead of £3, have any effect. Would that make a difference in their refusal?—To a certain extent that had an effect. On the other hand the men had offers of engagements from settlers here, and they heard from Government immigrants and other people of the difference in the passage-money. The men mostly took upon themselves to refuse payment.

328. You attribute the non-payment to a defect of human nature, not to a defect in the administration of the law of the colony?—As regards the administration of the law I told you we succeeded in obtaining judgments but were not able to enforce them. That was one cause, and another was our inability to keep the men at work with us.

329. Then you attribute your loss to the dishonesty of the men?—Partly, and partly to the idea amongst them that they had been overreached.



330. This difference between the terms of the Government immigrants and yours?—Yes, exactly

331. Your firm knew the difference perfectly well at the time in England?—I cannot speak for them. The Agent-General probably communicated with them. I cannot say from recollection, but I think in the negotiations the terms were mentioned.

332. Are you aware, when Messrs. Brogden began to export emigrants from England under some verbal arrangements with the Agent-General before the agreement of June was signed, that there was a very marked difference between the terms of the Government immigrants and yours?—As I understand, the arrangement was only a temporary one. Five ships altogether had been sent before the agreement was executed. These men were sent out in the expectation that works would be ready for them. Before contracts had been entered into, these five ships had been sent out on the advice of the Agent-General that the men would be required—that they were much wanted, labour being very scarce.

333. Five ships were sent before the agreement of June, 1872, was signed?—Yes.

334. So far as you understand, the object was to provide men for works Messrs. Brogden considered they would obtain contracts for?—No; these men were sent out in anticipation of contracts through the Agent-General pressing upon our firm to send them out.

335. As to the Picton and Blenheim contract, is it true the men left you there?—The great majority of them.

336. Did you not dismiss a great number of them?—Not that I am aware of.

337. You are not aware of it?—No.

338. Do you remember at one period they all stopped work?—I cannot speak from personal knowledge. I was not present at the time. It was outside my duty

339. Cannot you recollect?—It is many years back, and there were disputes on many of the lines. I cannot recollect that one.

340. Do you remember a large number of your men being sued at Picton, when Mr. Connolly defended them?—Yes.

341. On that occasion the men stopped work, did they not?—I cannot recollect that. I remember the men being defended by Mr. Connolly

342. You do not know whether they struck or not?—No.

343. You cannot say, of your own knowledge, whether the Picton men left you, or whether they were discharged by you?—My impression is they left; I cannot say whether owing to a strike or not. I think I may safely say none of the men were ever discharged except when the works were suspended for a few days on the Wellington and Hutt line. That is the only case where any men had to be discharged.

344. *Hon. Mr. Richardson.*] Are you aware whether the rates of pay Messrs. Brogden were giving the men on their arrival were equal to those being paid by other contractors?—In what locality?

345. In all localities?—At the time the men arrived the rates of wages were in a fluctuating state. In Auckland, for instance, the men were working nine hours a day, as they did in some parts of the South. In Wellington it was eight hours.

346. I am quite aware of that. Did Messrs. Brogden offer the same rate of pay as was given by other employers in each of these places?—Yes; I am quite sure of that. In some cases some men got less than others: some were worth more than others, and were more competent. Taking the men all round, they got the average ruling rate of wages. When they arrived, of course there was some dispute as to the number of hours the men should work. Eventually they came down to eight hours, the same as with other employers of labour.

347. Are you aware of any complaints from your men on several occasions that they were not treated in the same way as other men in similar positions were, both as to hours and rates of pay?—The evil of it was that there was a desire on the part of many employers of labour here to alienate the men from our service. The men got dissatisfied, owing to the interference of outsiders, who told them there was plenty of work elsewhere they could get, and tried all they could to prejudice the men against us.

348. Was there any attempt on Messrs. Brogden's part with a view of giving the men better terms than other contractors offered?—The men entered into an engagement with the firm by which the minimum rate of wages was to be 5s. a day of nine hours. They could not tell what the rates of wages for men were until they arrived. Even when the negotiations were going on, Government sent Home to say the rate was 6s., whereas when the men arrived the rates of wages were 7s. and 8s. As to the men leaving us with regard to the rates of wages, that was a side-issue. It was raised to enable the men to get away. Any men going to work for the firm were given the ruling rate.

349. *Mr. Murray.*] You said work was not available when the men arrived?—Yes, in the case of some ships. The "Jessie Readman" arrived here with 150 adults or more. The works in Wellington were stopped for the reasons I have already mentioned. They had two days' work at the Evans's Bay Road provided by the Provincial Government. The men at once turned round on us and were dissatisfied, and said we had broken our contract, as there was no work for them.

350. Whose fault was it there was no work for the men?—Some of the plans of the Wellington and Hutt line were undergoing changes in the Public Works Office.

351. Through the faulty design of the Government Engineer?—Yes.

352. You attribute that to the fault of the Government Engineers?—Yes.

353. How were the men provided with sustenance?—They had to do the best they could.

354. Were they given any wages by way of allowance for that time?—No; they only got wages for the time they were working.

355. Do you think the Government introducing immigrants free was the cause of Messrs. Brogden having to pay more for their labour in the country?—That was the keystone of the whole business. It took away the last chance we had of recovering on the notes.

356. The introduction of immigrants without charge, do you think that a reason Messrs. Brogden

should have to pay more for their labour?—That is a question on which I can scarcely give an opinion. It did not affect the labour market very materially.

357. Did it affect it all?—I cannot speak from knowledge. It could be easily worked out. I know if the wages-sheets were got from the office.

358. Do you not think it would have a tendency to reduce the rate of wages?—Not at all.

359. Do you not think Messrs. Brogden were to some extent compensated, by the introduction of free immigrants lowering wages, for losses they might have sustained from the promissory notes?—Not at all. If we had had the men working for us during the period they had engaged for we should not have lost anything; but there was such a demand for labour that three-fourths of them were lost to us just as we were getting our contracts.

360. Why did you not send the men you kept here several days over to Picton at once?—So they were within four days. There was no steamer available earlier.

361. The "Jessie Readman" men I speak of?—We were fully supplied at Picton with men then, and the same with regard to other places.

362. Were they all your own men employed at Picton?—No; a large proportion were others.

363. Why did you not dismiss the others and put on your own men?—We had sent sufficient immigrants over to carry on those works, and if we had sent these they would have gone as the others did.

364. Is it true all the immigrants were not first-class people—men not equal to the mark?—No; they were all first-class people. All the Immigration Agents say so.

365. *Mr. Barron.*] Were there any Scotchmen amongst these men?—I cannot say for certain. That is a difficult question to answer. I know there were a good many Englishmen amongst them. The Government returns give their nationality.

366. *Mr. Turnbull.*] What was the class of men who left you generally?—We kept a lot of men simply for the sake of saying we had carried out the engagements with them for work. The greater portion of the best men left us. The best men—that is, the artisans—left us.

367. How did these notes run up to £72 in one case?—That is for a man and his wife and children, and also outfits for them.

368. One vessel came to Dunedin with men when you were without any work for them?—Yes. We had work there, but were fully supplied with labour. There were already 600 introduced there by us.

369. What became of them?—They went up country.

370. *Captain Kenny.*] You stated, in answer to a question, that some of the men, in refusing to carry out their engagements, complained of the contract between Messrs. Brogden and themselves being broken, as they had not been kept at work?—Yes.

371. Was it part of their engagement that they should be kept fully employed for two years?—Yes.

372. Was that contract carried out on the part of Messrs. Brogden? Had all the men opportunity of full work with you?—No, I cannot say that, because, in case of a ship arriving here, the men, seeing there was no work, of course dispersed, and said that on our part the contract had been broken.

373. Was that plea ever advanced in Court by the men?—Yes.

374. Was it ever admitted by the Magistrate?—No.

*Mr. Cave:* There was no Masters and Servants Act here by which the contract could be enforced. But that would not affect the promissory notes in any case.

*Captain Kenny:* Were not the promissory notes given under the engagement to find them two years' work?

*Mr. Cave:* No; they were given for the kits and the passage-money, irrespective of that.

*Captain Kenny:* But on the understanding they should be engaged for two years.

*Mr. Cave:* The engagement for two years was not enforceable on either side other than by action for breach of contract.

375. *Captain Kenny.*] I understand you to say one of the reasons assigned by the men for not fulfilling their engagements for the repayment of the passage-money was that they had not been kept fully employed as they were promised by the firm?—Yes.

376. Can you give the Committee any idea as to the extent to which this part of the arrangement was not carried out; that is to say, were the men kept out of employment for a long period, or only for a few days on arrival?—Only for a few days on arrival, and in the case where the works were suspended.

377. I understand there were disputes between the firm and the men, sometimes ending in strikes?—Yes.

378. During that time the men were out of employment?—Yes.

379. For how long did these disputes keep them in enforced idleness?—I cannot say. In most cases the disputes were fairly adjusted between the parties. I do not think the number of hours interfered with it at all: it was as to the rates of wages. We offered the men the fair ruling rate of wages in the district where they were located, and most of them accepted what we contended was the current rate. Those who would not accept were the class of men who desired to get away to evade the responsibility of their promissory notes. The difficulty we had was in deducting the one-fifth from their wages.

380. There is another question you were asked, whether the immigration conducted by the Government did not tend to keep down the rate of wages. Your reply was No. I should like to ask you whether it did not tend to prevent the wages rising higher. If the Government had not introduced their immigrants, would not the rate of wages have been higher?—It did rise considerably, notwithstanding the introduction of the Government immigrants: wages continued to rise because of the enormous amount of work going on all over the country. Of course we suffered along with others. The introduction of the Government free immigrants did not seem to affect the market in the slightest degree. There was the same general demand for labour and not the supply to meet it. When the ships came in all the men found employment at once.

381. That is not exactly an answer to my question. From your knowledge of the law of supply and demand in the labour market, as in other things, are you not of opinion, if the Government had not introduced immigrants, Messrs. Brogden would have had to pay higher wages?—Certainly not. The rates of wages at that time induced many from Australia to come over here. Far from lowering the rate, wages seemed to go up a shilling or two higher per day.

382. If I understand you right, it is your opinion that the introduction of 4,000 or 5,000 immigrants had no effect in keeping down the rate of wages, or in preventing it from rising higher?—No; it did not seem to have that effect.

383. *The Chairman.*] By this agreement, were Messrs. Brogden compelled to find work for the men whether the Government gave the firm contracts or not?—Messrs. Brogden undertook to find work for these men for two years. For that period they were bound to find work for them.

384. And the men were suspended from work without wages?—That was owing to the Government not carrying out the arrangement to find work for them.

385. Were the men entitled to compensation when not employed?—No.

386. But was not the firm bound to employ them? Not bound to pay them when not employed.

387. Are we to understand there was really no contract by the firm to find work?—The men could not turn round and say so.

388. Was there, or was there not, a contract by the firm to find work for the men?—There was this contract, but it could not be enforced on either side in the colony.

389. Neither way?—Exactly. When we sued the men for their promissory notes, on the other hand they pleaded the breach of contract by us.

390. Was any decision ever given as regards this contract in New Zealand?—No, none.

*Mr. Cave:* An action at law could have been brought for breach of contract.

*The Chairman:* No action at law was taken in any Court in New Zealand on either side to enforce this contract?

*Mr. Cave:* No. Proceedings in the nature of criminal proceedings could not be taken, simply because there was no statute under which proceedings could have been instituted.

*Witness:* No such case was ever taken into Court. The Magistrate told the men that they could sue the firm for breach of contract.

391. *The Chairman.*] Did the men take action against Messrs. Brogden to enforce what appears to have been a contract to find employment?—No.

392. Neither you, on the other side, for breach of contract?—No.

393. *Hon. Mr. Richardson.*] In your evidence you stated once or twice the Government did not find any work for Messrs. Brogden's men. Was it not the case that Messrs. Brogden tendered at such a high price that Government had to refuse the tenders?—I am not aware. I know many tenders sent in by Messrs. Brogden were not accepted. The first one refused was owing to the Government insisting on one clause being altered, which Messrs. Brogden's agent would not agree to, although the contract price was agreed to. The alteration proposed was in effect to make the contractors responsible for insufficient designs. Mr. Henderson refused point blank to allow that clause to be so altered. That was the cause of our having the "Jessie Steadman" men on our hands.

394. Do you know that of your own knowledge?—To the best of my belief that was the case.

Mr. JOHN LAWSON, examined.

395. *Mr. Cave.*] I believe in the year 1872 you came to New Zealand on behalf of Messrs. Brogden?—Yes.

396. And you took charge of the financial department in New Zealand?—Yes.

397. You came in the ship "Halcione"?—Yes.

398. I believe in the same ship, several immigrants sent out by the firm were brought over?—Yes.

399. And in the same ship there were also several Government immigrants?—Yes.

400. You can tell the number of each by reference to the tables?—Yes; there were about sixty of the firm's, and about 150 Government immigrants.

401. Did anything occur on the passage out between the Government immigrants and the firm's immigrants?—Yes; the firm's immigrants expressed great dissatisfaction when they had compared notes with the Government immigrants, and found they were coming out under more favourable terms than themselves. The firm's immigrants were then greatly dissatisfied.

402. Under what terms were the Government immigrants being brought out at that time?—I believe it was for £5 cash, and either £8 or £10 by promissory notes.

403. And this occasioned considerable discontent among Messrs. Brogden's immigrants?—Yes; very much discontent.

404. Did you hear anything said by the firm's immigrants with reference to their declining to carry out their engagement with the firm on arrival in New Zealand in consequence?—Yes; some of them told me distinctly they would not work for the firm.

405. I believe you prepared a number of statements and tables which have been put before the Committee?—Yes.

406. Those statements have been compiled from the firm's books?—Partly, and partly from parliamentary papers.

407. And to the best of your belief they are quite accurate?—Yes.

408. I think there is another statement which you have prepared, showing the number of immigrants landed in New Zealand in the year 1873, showing the number of males brought by the Government, and also the number brought by the firm?—Yes. There were forwarded by the Government 1,244 men, 1,545 women, 993 children, and 179 infants. During the same period the firm brought 1,298 men, 373 women, 344 children, and 101 infants.

409. So that during that period the firm brought over about fifty more working-men than the

Government?—Yes; that is so. I may say that statement can be verified by reference to Parliamentary Papers, D.-4, 1873, pages 2 and 3.

410. Did you have any experience with reference to the collection of the promissory notes?—Yes; as regards the money actually collected.

411. And you know by reference to the books that a comparatively small amount has been recovered under them?—Yes.

412. You know nothing really as to the collection of the moneys?—No; Mr. Billing had that in hand entirely.

413. *Hon. Mr. Richardson.*] You stated that the men told you on board the vessel they would not work for the firm on arrival, having found out they came on different terms from the Government immigrants. When you arrived here, did you take any steps to inform the firm of that, before the immigrants left the vessel?—I am not positive. I did, no doubt, explain the nature of the discontent expressed by the men.

414. It is a very important point. Can you state whether you really did or did not tell the firm?—I have no doubt I did.

415. Do you know what steps they took on your representation?—No, I do not remember that. As regards the “Halcione” men, not any steps were taken, as the majority of those men went to work.

416. *The Chairman.*] You stated Government immigrants came in that vessel who paid £5 cash, or giving notes for £10 for their passage?—I am speaking off the book. I believe it was either £8 or £10 by notes. I know it was £5 cash. The parliamentary papers will give the information.

417. As you were on the vessel I thought you would positively know the exact amount?—I would not like to speak positively as to the figures. It was either £8 or £10.

418. Five pounds cash or either £8 or £10 in notes?—Yes.

419. Not both?—I think not.

420. Under what terms had Messrs. Brogden agreed with their immigrants?—They gave promissory notes for £15 per statute adult.

421. What ship was that?—The “Halcione.”

422. Those terms were similar to those given after the agreement was signed?—Exactly so.

423. None were sent out on more favourable terms before the agreement was signed?—No.

[Application was made by Mr. Cave that the original letter of the 10th July, 1873, from the Agent-General to the Hon. the Colonial Secretary might be produced to the Committee, on the ground that if any memoranda were written thereon such memoranda might afford information to the Committee as to the grounds on which such letter was withheld from the previous Committee in September, 1873; and, further, that the Government might be requested to furnish, for the information of the Committee, a return showing the sums recovered by the Government in respect of the promissory notes given to the Government by the assisted and nominated immigrants referred to in Return D.-4, 1873.]

#### WILLIAM THACKER, examined.

*To Mr. Cave:* I live in Lloyd Street, Wellington. I am a carter. I came to Wellington in the “Jessie Readman” in 1872. I was engaged at Leamington by Brogden’s agent. I brought my wife and six children: four under Messrs. Brogden, and two girls of thirteen and fourteen under the Government by assisted passages. I gave a promissory note. There were some Government immigrants in the same ship. They paid £5 each. When I got here I went to work for Messrs. Brogden, over across the road against the baths. Because there was no railway work for us, we went on the road. The railway work was stopped. We worked a day and a half there, then I went to work for a miller; but I worked for Brogdens afterward on the Hutt line. I paid about £10 or £11 off the promissory note. It was deducted from the wages.

424. *Mr. Cave.*] Did the firm ever sue you?—Yes; and got judgment. I was never bankrupt.

425. When you left the firm, whom did you work for?—I worked for the Government on the line as ganger and platelayer.

426. When working for the Government, why did you not pay the balance?—Because I told Mr. Henderson, when he could not give me any more work, that I would not pay. I told him if there was no more work I would pay no more money; and, that as he had broken the contract with me, I would not pay him.

427. Was that the only reason?—I did not think it hardly proper we should have to pay when Government immigrants were coming for nothing at that time. I thought I had paid enough.

428. You paid £11 out of £63?—Yes.

429. Whom do you work for now?—For myself.

430. *The Chairman.*] You told Mr. Henderson you would not pay any more. Why not?—Because he broke the contract with us in not finding us any work. We signed our agreement for two years.

431. You signed to serve two years, they to find you two years’ work?—Yes; they to stop one-fifth of the wages.

432. You considered they broke their bargain with you?—Yes; they could not find us any work.

433. That was the reason you left their service?—Yes; I worked till the work was finished, and heard then there was no more work.

434. *Mr. Turnbull.*] You heard of New Zealand at Leamington?—Yes; the agent for Brogdens was there.

435. There was no Government agent there?—No.

436. And you did not know you could get out any cheaper?—Two of the children came out as assisted immigrants.

437. Did it not occur to you you were paying more than the Government was charging?—I did not know the Government were taking them out till we got to London, and then it was too late, because I had signed everything.

438. What was the Government bringing them out for?—£5 I believe.

439. Was that the reason you would not work?—No; I worked as long as Brogden got any work. That was the time I refused to pay when they had finished the line. Then I went to Henderson's office, and he said he had got no more work. I told him it was hardly fair we should pay our passage, and said I should not pay any more, as they had got no work for me. He said he had no more work, as Government had broken their contract with them.

440. *Mr. Allwright.*] You brought your daughters out under the Government arrangements?—Two of them.

441. Why not yourselves?—We did not know. There was no Government agent there.

442. Then how did you know for your daughters?—That was worked between Brogdens and the Government. I do not know how they did it. All girls over twelve years were supposed to be assisted as servant-girls.

443. *Captain Kenny.*] Did you not make some inquiries whether the Government arrangement could not extend to the rest of the family when you found out?—No; we never thought of it, because we had made all agreements and were satisfied.

444. You had all completed before you heard about the Government arrangement?—Yes.

445. The reason you considered yourself acquitted was because the firm had broken your agreement; because they could not give you two years' work?—Yes.

446. Without saying that made any alteration, the hardship of having to pay more than you would have had to pay the Government?—I considered we should not have to pay because the Government were bringing them out free. That was very nearly two years after we came out.

447. You considered the fact of the Government bringing in immigrants at lower rates than your own absolved you from the obligation to pay?—Not altogether. I said it was not fair for us to pay I would have paid if they had carried out their contract with me.

448. *The Chairman.*] How long did you work for Messrs. Brogden?—All the time till that line was finished; then they had no more work, and I left and went to work for the Government.

449. *Mr. Cave.*] How did you pay the Government for the two girls?—I paid nothing at all for them.

450. *The Chairman.*] On what conditions did they come out; on your promise to pay something?—Supposed to pay something. Government had an agreement. It was done between Brogdens and the Government.

451. What did you understand?—That they were to be assisted.

452. To what extent?—I do not know.

453. Did your note to Messrs. Brogden cover the daughters' passages at all?—No; it had nothing to do with that. The girls signed an agreement for themselves.

PETER SOMERS, examined.

*To Mr. Cave:* My name is Peter Somers. I live in Nelson Street, Wellington. I came to New Zealand in 1872 in the ship "Jessie Readman." We arrived here on the 16th December. I was engaged to come out by Messrs. Brogden's agent. I was then a single man. To pay the passage-money I gave Messrs. Brogden a promissory note for, I believe, £17 13s. On landing here I worked for Messrs. Brogden a day and a half.

454. *Mr. Cave.*] Why did you not continue to work for them?—There was a disagreement as to the rate of wages; likewise because they wanted us to work nine hours a day. I objected to that.

455. How much have you paid on account of your promissory note?—I forget the exact amount.

456. Were you ever sued?—Yes.

457. Why did you object to pay?—Because I considered that I had paid sufficient. Considering that, on the vessel I came out by, the Government brought out families of assisted immigrants on lower terms, I considered I had paid sufficient—equal to what they paid.

458. Did you think Messrs. Brogden had no right to charge you more than the Government charged?—I thought it was a great hardship. I objected to pay. That was the principal ground. Directly after, by the next vessel, they came without paying anything, and I had to pay all expenses to the port of embarkation too.

459. *Mr. Bell.*] What was your disagreement with the firm?—I objected to the nine hours a day.

460. Was there something with regard to the wages?—I wanted to have the wages fixed.

461. At what sum?—That was to be arranged between the firm and the men.

462. Then other men disagreed at the same time?—About ninety.

463. Where?—In Wellington.

464. Where have you been since then?—I have stopped in Wellington ever since.

465. What about the others?—I cannot say much about the others. Some are working here. Several have always remained in Wellington.

466. Did the others go away at once?—Some did, and some did not. The majority of them went up country.

467. How long after the disagreement?—I cannot state.

468. How many men struck?—About ninety struck for a proper arrangement to be made to know on what terms they were to work us.

469. How long after the strike were you sued?—About eighteen months, as near as I can judge.

470. Did you ever see Messrs. Brogden's agents in that time?—Yes.

471. Was application made to you for payment of the money?—There was.

472. Did you pay anything?—Not until I was sued.

473. Judgment was obtained against you, I understand?—Yes.

474. Have you been insolvent since?—No.

475. So the judgment is still in force against you?—I think so.

476. *Mr. Turnbull.*] How much have you paid?—I cannot tell the exact amount. I think about £6. I cannot be certain.

WEDNESDAY, 27TH JULY, 1881.

Hon. G. M. WATERHOUSE, examined.

477 *Mr. Travers.*] I believe you were Premier of New Zealand from October, 1871, to March 1873?—I was.

488. At that time I believe the Public Works and Immigration Scheme propounded by Sir Julius Vogel was in full operation?—Yes, it was just getting into full operation.

479. I see by the Blue-books that, on the 23rd November, 1872, you wrote a memorandum to the Agent-General. Have you any recollection of that memorandum?—I have a general recollection of it.

480. At that time, did the Government consider the question of immigration a very pressing one? Undoubtedly they did, as the memorandum shows.

481. I believe that during the time you were Premier there were some negotiations between Messrs. Brogden and the Government with reference to their being relieved from the consequences of the contract that had been entered into with them?—Yes, there were some such negotiations.

482. And I believe that you transmitted to the Agent-General the correspondence that had taken place between Mr. James Brogden and the Government with reference to it for the Agent-General's guidance?—Yes.

483. Was it not the intention of the Government at that time that the question of relieving Messrs. Brogden was to be referred to the Agent-General, and reported on by him?—I think the correspondence shows what the object of the memorandum was. The memorandum says, "The Government have invited the Messrs. Brogden to place themselves in immediate communication with you, and have promised to favourably consider any suggestion or recommendation you may make on the subject." The correspondence shows the subject on which the Government had promised to consider the suggestion of the Agent-General.

484. It was the intention of the Government at that time to favour any suggestion that was made with reference to the contract?—No; the letter states distinctly what the object was.

485. But that would involve the repayment of the advances, would it not?—I can, of course, only speak on this subject from a very indistinct remembrance of what took place. I think it was on the arrival of the first vessel with Messrs. Brogden's immigrants that Mr. James Brogden discovered that the anticipations he entertained with regard to getting back his money for the promissory notes were incorrect. Mr. O'Rorke was then Minister for Immigration, and the matter was referred to him. He made a memorandum upon the subject on which the Cabinet minute was based. That minute appears to me distinctly to show what the action of the Government has been, and it does not appear to me to bear out your inference that the relief from liabilities was referred to the Agent-General, because the despatch says, "I have to express the regret of the Government that, after the gravest consideration, they find themselves unable to meet your views so far as to relieve the firm from their liabilities in connection with the conduct of immigration under the agreement referred to." It then goes on to say that any recommended modification of the agreement so far as concerned future operations would be favourably considered.

486. But the main subject of Messrs. Brogden's application was relief from loss, was it not?—I cannot say that it was. I was not so fully acquainted with the circumstances of the case as I would have been had I been connected with the negotiations from the first.

487. Have you seen a letter which was sent by the Agent-General to the Government, and which is dated 21st July, 1873?—Yes.

488. Do you not think it is clear from that letter that Messrs. Brogden were never intended to be losers by the transaction?—When Mr. Hall left the colony there was an impression on the part of the Government that he would communicate with the Agent-General in connection with the general interests of the colony, and it is just possible that he may have considered that matter was remitted to him under the general covering words.

489. It seems evident, from this letter which Mr. O'Rorke sent to Mr. Brogden, that there had been a request on the part of the latter that his firm should be relieved from existing obligations, and recouped for any losses they might have sustained?—Yes.

490. Does it not seem from this letter that special and favourable consideration was to be given to the matter when the Agent-General had sent in his report on the subject?—I do not think so.

491. Can you say whether any further negotiations were entered into by the Government with Mr. James Brogden?—I cannot say. Mr. O'Rorke would have everything to do with any negotiations that were being carried on.

492. *Mr. Bell.*] I understand you to say that the Government expressly refused to refer to the Agent-General any question of repayment to the Messrs. Brogden of the money they had spent in sending immigrants to the colony?—I say that they decided that Messrs. Brogden were not entitled to any further payment for services they had rendered.

493. Can you recollect whether the question was pressed on the Government of the day by Mr. James Brogden?—I have a very shady recollection of the matter, but I think that was the case.

494. At that time—I mean about the 22nd November—Messrs. Brogden had practically ceased to send out immigrants?—I am not sure that we knew the immigration had been stopped.

495. Was any distinction drawn at that time between the actual outlay and the loss by Messrs. Brogden?—I cannot recollect exactly. I know the two things were mixed up—I mean the loss that had accrued and the liability that was to be incurred. Necessarily my recollection is of a very hazy character after this lapse of time.

496. *The Chairman.*] In this letter of Mr. O'Rorke's, which was written in November, 1872, I understand there are two distinct applications—namely, first to be recouped for all past losses; and, secondly, to be relieved of all future obligations. I take it that the Government refused the first?—Yes, I think so.

497. And up to that time large liabilities had been incurred by Messrs. Brogden under the contract of June, 1872?—Yes.

498. With respect to the second part of the letter, where you state that you are willing to give favourable consideration to the question of relieving them from future liabilities, why did not the Government at once relieve them if it appeared to the Government then that their losses would be heavy?—You are asking me a question that you would naturally think I was in a position to answer, but you must remember that this matter occurred nearly nine years ago, and it is impossible for me to recollect the circumstances. I can recollect that there was a difference of opinion in the Cabinet, and this led to a kind of compromise, which is a common thing, and which took the shape of the Cabinet decision upon which this letter is based.

499. Are we to understand that the Government had entered into a contract that would benefit the colony materially, and that they would not relinquish their claim on the Messrs. Brogden?—They express their willingness to do so in the letter, but, at the same time, they decline to take any action until they hear from the Agent-General.

500. The Government, at the time, was not advised that the contract entered into with Messrs. Brogden was *ultra vires*?—I am not aware that the Government had any knowledge that the contract was *ultra vires*.

501. Then, the fact that the contract was *ultra vires* was a dead letter to the Government?—I am of opinion that if the Government had been aware of the fact it could not have escaped my memory.

502. *Hon. E. Richardson.*] In the matter of contracts, do you remember what allowance the Cabinet made in dealing with Messrs. Brogden's tenders for works?—The Cabinet made no allowance. The allowance was specified in the agreement, and the Government were bound by that agreement. I think that I know the circumstance to which you are referring, and it was alluded to at a Cabinet meeting, and it appears to have dwelt on your mind as it dwelt on my own, but the matter was mentioned only with a view to influence the decision of the Cabinet at the time. I do not know how far it would be justifiable to state more as to the statements that were made in Cabinet in reference to it.

503. *Mr. Murray.*] I understand that Messrs. Brogden were to have an allowance of £5 for each immigrant, to cover any risk they might run in regard to the recovery of the amounts of the promissory notes from the immigrants. Now, in the event of Messrs. Brogden having recovered all the money from the immigrants, and made a profit out of them, would you consider that the Government had any claim on the Messrs. Brogden for the amount they had been allowed for the risk they ran?—No.

504. Then, would you consider that if Messrs. Brogden sustained a loss they would have any claim on the Government?—Certainly not; but if representations which were not facts were made, it would be for the Government to consider how far they were bound by the representations of their officers, and how far, as a matter of commercial morality, they ought to compensate Messrs. Brogden for any loss they had made in consequence of having placed too much reliance on these representations.

505. Whose representations do you refer to?—I refer to the fact that Messrs. Brogden entered into the contract at a time when promissory notes were being taken from the immigrants. There was, subsequently, an alteration in the policy of the Government, and they abandoned all attempts to recover any of the moneys due by the immigrants on their promissory notes. This was a change in the policy of the country which had probably not been thought of when the contract was taken, and it would be for the Government to consider how far they ought to take that into consideration.

506. Are you aware that it was represented to Messrs. Brogden that they would have no difficulty in recovering the amounts of the promissory notes?—I know nothing except what is shown in the correspondence now before the Committee.

507. Are you aware that bills which had been given by immigrants to the Provincial Governments were remaining unpaid at that time?—Yes.

508. Was it generally known that there was a considerable amount of money due to the Provincial Governments, and which was not likely to be collected?—I should not like to say. The Government certainly did calculate on collecting a large portion of the promissory notes, and my impression is that the Provincial Government of Otago used to introduce immigrants on the same terms. I believe that for political reasons the promissory notes given by immigrants in the Province of Wellington were abandoned.

509. Had the Messrs. Brogden any opportunity of finding out these facts before they entered into this contract?—I cannot say that Mr. James Brogden was aware of them or could inform his brothers in England.

510. *Mr. Turnbull.*] In reference to your memorandum of 23rd November, 1872, and Mr. O'Rorke's reply to Mr. Brogden, would the refusal to release them from their obligation be an implication that they were not bringing out a sufficient number of immigrants?—No; I am quite certain that was not the reason. It was on the broad question whether we should pay for the immigrants already introduced.

511. Then on page 6 it is stated that the regulations granting free passages were entered into on the 7th March and revoked on the 17th March?—That was probably for some technical reason. We found that we could not get the necessary number of immigrants unless we paid full price for them.

512. Was that letter of the 10th July, 1873, received by you while you were Premier?—No, I was not in the Ministry at that date.

513. *Captain Kenny.*] You stated that it was during the time that you were Premier that the first shipload of immigrants arrived?—No, I did not say that. The first arrival must have been about a month or so before I became Premier.

514. You stated that there was evidence at that time of the probable breakdown of Messrs. Brogden's scheme of immigration?—Yes, I meant to say that there was evidence of their probable inability to collect the money for the promissory notes.

515. Did Mr. Brogden put himself in communication with the Government on the subject?—I think he did, but he would have more to do with Mr. O'Rorke than myself on the subject.

516. When you learned the state of things in connection with Messrs. Brogden's immigrants did you refer the matter to the Agent-General in your despatches?—The despatches bearing on the subject were sent either from the Colonial Secretary's Office or from that of the Minister for Immigration.



tion. They would not be signed by me as Premier except in the absence of those Ministers. I cannot say what those Ministers have stated in their communications to Messrs. Brogden, but probably the whole of that could be ascertained by a reference to the Appendices to the Parliamentary Proceedings for 1873.

517. Are you aware whether there is any report from the Agent-General as to what passed between him and Sir Julius Vogel when the arrangement was made with the latter?—I have seen the letter that is printed. That is all I know about the matter.

518. Messrs. Brogden made their claim whilst you were Premier?—Yes.

519. And it was made on the ground that there was unintentional misrepresentation by which Messrs. Brogden had been misled?—Yes.

520. Was there nothing to show how far Messrs. Brogden were justified in saying they were misled?—I have no doubt Sir G. M. O'Rorke could give you more information on that subject than I can.

521. *Hon. Mr. Dick.*] The petition which is now before the Committee says: "Immediately after the " "More favourable terms." You were in the Government at the time these more favourable terms were being carried out, were you not?—The Government with which I was connected was not a party to the preparation of those more favourable terms; but we were in office when the immigrants arrived under them.

522. Mr. James Brogden in October, 1872, seems to have waited on the Government and claimed to be relieved of his liability?—Yes.

523. And the Government declined to relieve them?—The Government declined to relieve them from the liability to carry out the agreement for the future unless they were recommended to do so by the Agent-General.

524. That was whilst the Government were bringing out immigrants on more favourable terms?—Yes.

525. Then the Government considered that Messrs. Brogden had entered into a contract which they were bound to carry out without any responsibility being attached to the Government in the matter of recouping them for any loss they might sustain through not recovering the amounts of the promissory notes?—Yes.

526. Then the Government simply regarded it as a contract?—Yes.

527. *Mr. Bell.*] What were the more favourable terms to which you refer? What was the alteration made in the terms?—The alteration in the terms was the progressive improvement of the regulations under which immigrants were sent out to the colony. The terms were progressively improved, until at last the Government paid the whole of the passage-money, and also the expense incurred in transhipment.

528. I would ask you whether any immigrants who paid by promissory notes were allowed to pay less than £10 before October, 1872; that is to say, whether immigrants who paid by promissory note alone, were allowed to pay by promissory note at any time during the year 1872?—The correspondence will show that; and, as a matter of fact, I believe that the advance-notes were enforced in scarcely any case.

Hon. W. GISBORNE, examined.

529. *Mr. Travers.*] I believe you were a Minister in the year 1871?—Yes, I was.

530. While you were a Minister I believe there were some negotiations with Mr. James Brogden with reference to the subject of immigration?—Yes.

531. Can you state whether these negotiations were opened by Messrs. Brogden with the Government in the first instance, or by the Government with Messrs. Brogden?—I cannot say exactly. I may say that Messrs. Brogden had had negotiations with Sir Julius Vogel in England, and proposals were sent out, which, however, were afterwards modified in the colony, before they were submitted to the House. The matter was the subject of frequent discussion between the two parties.

532. I believe the major contract, which involved the question of compensation, had been rejected by the House?—So far as I recollect, the Ministry did not recommend the major contract.

533. These fresh negotiations that took place had special connection with immigration?—First with regard to public works, and then with regard to immigration.

534. I believe the Government at that time felt the necessity of importing large numbers of immigrants in connection with the public-works scheme?—Yes; the whole success of the public-works scheme depended on concurrent immigration, within certain limits. It was considered that immigration should be carried on concurrently with public works.

535. I understand that matters were carried so far that a draft agreement was actually prepared?—Yes, it was so.

536. Have you any recollection of the terms of that agreement—I mean as regards the reimbursement of Messrs. Brogden for the money they had expended?—You will find the agreement enclosed in a memorandum dated the 25th November, 1871, No. 56, addressed by me to the Agent-General.

537. At that time was it not an essential part of the proposed arrangement that Messrs. Brogden should not incur any loss in connection with the arrangement?—We certainly did not expect that they would incur any loss; in fact, we believed the matter would be mutually advantageous, and not attended with pecuniary loss to either. Of course, in using the word "loss," I mean foreseen loss.

538. Do I understand you to mean that the Government were placing them in a position where they would not suffer any foreseen loss?—Yes.

539. And, assuming that the result would have been attended with unforeseen loss, would you have considered that the Government would have been liable to make up that loss?—At the time of claim for compensation being made I was not a member of the Ministry, and therefore cannot say whether or not compensation is due to Messrs. Brogden on account of this matter.

540. Can you say of your own knowledge whether the colony received a benefit from the immigration carried out by Messrs. Brogden?—I am certainly of opinion that the colony did receive a benefit from it.



541. Quite independent of any benefit that the Messrs. Brogden might have received?—Yes; at that time the Government were very anxious to get immigrants to come to the colony

542. Is it not a fact also that the number of immigrants brought out by Messrs. Brogden bore a large proportion to the number brought out by the Government during the same time?—I am not in a position to say that, because I retired from the Government before the arrangement was made.

543. *Mr. Bell.*] You do not suggest that the Messrs. Brogden were to import immigrants other than those whom they would require for their own work?—I think that was part of the agreement.

544. Then the men whom they were to import would be men independent of the class of men which the Government would require for other purposes?—Yes. The arrangement for railway contracts with Messrs. Brogden was not so large as was anticipated.

545. But the benefit you obtained was the use of these men after the Messrs. Brogden had done with them?—We thought these immigrants would settle in the vicinity of the railways.

546. But the benefit which you anticipated would be the use of these men after Messrs. Brogden had done with them?—Yes.

547. Was not the point of difference between yourself and Mr. James Brogden this: that you could not agree with Mr. Brogden in regard to taking the risk of immigrants absconding?—Yes, I think so. Messrs. Brogden wanted, if I recollect aright, the Government to take the risk, and the Government wanted Messrs. Brogden to take it.

548. *Mr. Turnbull.*] From your memorandum of the 25th November, 1871, Mr. Brogden appears to have taken no risk in the matter. You say, "The Government offered Mr. Brogden to take off 10 per cent. of the amount paid for passage-money from the promissory notes he was to give you, to cover his risk, but he would not accept. He continued saying he must be put upon the most favourable terms; in other words, that he for the whole of his immigrants must have terms as favourable as the terms granted by you to immigrants direct, but he to be at liberty to make with his immigrants what arrangements he pleased, irrespective of the arrangements made between the Government and him. I enclose for your guidance the draft of the agreement proposed for Mr. Brogden's signature, but which he declined to agree to"?—Yes; but the end of the memorandum shows that the Government had no responsibility. I am not able to say from memory what risk the Government took: there was an agreement entered into between the two parties, but I know that the draft agreement was objected to by Mr. James Brogden at the last moment. It was sent Home, and referred to Messrs. Brogden's firm there.

549. *Hon. Mr. Dick.*] When the Government entered into this agreement with Messrs. Brogden for the bringing out of immigrants, did you consider that Messrs. Brogden were guaranteed against loss in carrying out the arrangement?—No, not at all.

550. You just looked upon it as a contract which the firm took in this colony, and in which, if they made a loss, it was their own fault?—Yes, exactly.

551. Are you aware of any misrepresentations that were made to Messrs. Brogden?—No; I would not have been a party to anything of the kind. There may have been misconception on the part of Messrs. Brogden, but there was no intentional misrepresentation on the part of the Government.

552. *Mr. Travers.*] Did the Government, in submitting the agreement that they did submit, suppose it was one calculated to entail a loss on Messrs. Brogden?—That was not our opinion; but, of course, we were not guardians of their interests, and we thought they were quite able to look after their own interests. At any rate, we did not think that they would sustain any certain loss by carrying out the agreement.

553. *The Chairman.*] Does the memorandum of the 25th November, 1871, give a full account of the negotiations entered into with Mr. James Brogden on the subject?—That memorandum was written to explain the views of the Government on the subject.

554. And therefore we may assume that it would contain all the facts?—Yes.

555. Were you in the Ministry when the letter was received from the Agent-General, signifying that the immigration contract of the 27th June, 1872, had been entered into?—I do not think so. I have no further knowledge of the matter as a Minister.

EDWIN HIBBERD, examined.

*To Mr. Cave:* My name is Edwin Hibberd. I live at the Upper Hutt. I came in the ship "Halcione" with my wife and three children. I came as one of Messrs. Brogden's immigrants. They paid for us, I believe, £45. I was supposed to pay for all. There were Government immigrants in the same ship. I do not recollect the number. During the passage the Government immigrants were treated better than we were. If I wanted even a little vinegar they would not give it me or sell it for money. If we went to complain about anything we were taken no notice of, but if the Government immigrants complained to the captain the matter was always put right.

556. You think you were not treated so fairly?—I am sure we were not.

557. When the ship arrived, did you go to work for the firm?—Yes, for some time—two days over at the Bay—but I could not support my family on the wages.

558. How long did you work with the firm, then?—Two or three weeks, on and off.

559. And then you went to find work for yourself?—Yes.

560. Did they sue you on your promissory note?—Yes.

561. Did you pay anything?—No, I could not, and support my family. I could not see any possible way of making any progress. I thought we should have some land.

562. Did you become bankrupt?—Yes.

563. How long after being sued?—Directly.

564. You never attempted to pay anything?—No.

565. And you never paid anything?—No; I think they stopped half-a-crown from my wages.

566. You left working for the firm because you were dissatisfied with their stopping money on account of the passage?—Decidedly. It was little I earned, and I could not get the children food if part of it was stopped.

567. *Mr. Bell.*] How much was stopped out of your wages?—I think it might have been three half-crowns. It was either three half-crowns or one; I am not certain.

568. Was there more stopped from wages for you than for a single man? Your passage-money was £45, and a single man's would be £15?—I do not know if more was stopped. I believe there was, but cannot say for certain.

569. How long after you left the firm were you sued?—I think it must have been twelve months.

570. Where were you in the meantime?—I was working for the Corporation of Wellington.

571. What were you earning?—10s. a day

572. What were you doing when you were sued?—I was still there. By some means I was discharged from my employment, and was out two or three weeks until the matter was seen into, and then I was re-employed, and kept there seven years.

573. *The Chairman.*] You said there was a distinction between the treatment of you and the Government immigrants on board?—I am positive there was.

574. Was there not an agent of the firm on board?—There was. I think his name was Lawson. On several occasions, when my wife was ill, I went to the doctor for medical comforts, but he would neither give them nor sell them.

575. Did you not make representations to the agent?—I did; and I believe he spoke to the captain about it.

576. And, notwithstanding the representation made by Mr. Lawson, the Brogden immigrants were not treated differently?—No, we were not; it seemed to make no difference.

577. Why were you treated differently?—I cannot tell the reason for it.

578. When the vessel arrived here, were any representations made to the Government as to the treatment?—Yes; by me and others.

579. To whom?—It was down at the Customhouse.

580. Was there no complaint made to the Commissioners when they came off to the ship, on her arrival. Their first inquiry is as to the treatment—if there are any complaints?—I do not recollect anything of that sort, Sir. If there was, they got the straight answer from me.

581. But were no complaints made to the Commissioners?—I cannot positively answer that question, because I do not recollect.

582. Were complaints made afterward?—Yes.

583. In writing?—Several of us appeared, to give our statements. They came round with a petition for us to sign, for the captain and crew; but I and some others would not sign it.

584. Whom were the statements made to?—I think to the Immigration Agent.

585. With what result?—There was nobody there the second time the meeting came on.

586. *Hon. Mr. Richardson.*] What wages were paid by the firm?—7s. or 8s. a day, I cannot say which.

587. How many hours?—I think ten hours, at that time, or they wanted ten hours. I believe it was eight hours we worked. I will not speak positively.

588. When you left, did you get work at once?—Not directly. Before I got anything fairly it might have been six weeks.

589. And, then, at what wages?—8s. a day at first, for eight hours.

590. Were there any dissatisfied among the men at the hours?—There was, at first; but that was altered. That was altered to satisfy the men.

591. *Mr. Turnbull.*] Was there any talk among the men about the difference in price between you and the Government immigrants?—There was a great deal said about that. It caused all surprise. The sore point among us was that these people paid half, and we paid double; and whenever the Government immigrants complained to the captain he would set things right, but not for us.

592. Did that excite any discontent among the Brogden immigrants?—Yes; all I spoke to were dissatisfied.

593. Did you represent that to the agents when you got here?—There was hardly time to do so. It was hurried over as quickly as possible. There was no time to speak of it on board the ship.

594. *Captain Kenny.*] You signed a promissory note for £45?—I think so.

595. What induced you to sign it?—I came to the colony to better myself.

596. Were there any conditions on which you signed?—I believe the conditions were that when we came to the colony, and settled down to work, there would be a portion of land for each of us.

597. When you signed the note, was it simply for the passage-money, or were there other conditions, as a guarantee of a certain rate of wages for a certain time?—I think not.

598. You simply gave the promissory notes for the passage?—I could hardly remember.

599. Were you prepared to pay?—No.

600. Why?—Because I had no means to do it.

601. Then you have no complaint to make. You simply found yourself unable to meet your engagements, and took the legal course to get rid of your liability?—I thought of the unjustness of charging me so much, and letting me have less than the Government immigrants on the voyage. I do not think any man would support a thing like that. I would have tried more than I did, provided I had been satisfied as to the treatment on the way out.

602. Then you would not pay even if you had been in a position to?—No, not if I could help it.

603. Although you had signed this document and entered into the contract?—I promised to pay.

604. *Mr. Turnbull.*] Would you have given that note for £45 if you could have got out for £25?—No; but I did not know at that time.

605. How soon did you hear?—I heard on the passage.

Sir G. M. O'RORKE, examined.

606. *Mr. Travers.*] I believe, Sir Maurice, that you were Minister for Immigration in the years 1872 and 1873?—Yes; from October, 1872, to October, 1873.

607. And I believe that in that capacity you had correspondence with Mr. James Brogden on the subject of immigration?—Yes; and I also had personal interviews with him on the subject.

608. Can you say whether Mr. James Brogden did, or did not, early in 1872, express dissatisfaction in regard to the contract that had been entered into by his firm?—Yes. When I came into office, in 1872, one of the first things the Immigration Office had to deal with was an application by Mr. James Brogden to be allowed to abandon the contract that he had entered into with the Government on behalf of his firm. The matter was considered to be of so much importance that it was dealt with by the Cabinet as a whole, instead of by the department which it particularly affected.

609. Have you any recollection of the distinct grounds of complaint which were put forth by Mr. Brogden?—As far as I recollect, their complaint was that their immigrants had to pay £15 per head, while the Government immigrants were only charged £5.

610. What did Mr. Brogden complain of as the result of that upon the operations of the firm?—He complained that some of these immigrants, in order to get rid of their liability, abandoned their connection with the firm. Some went to other parts of the colony and some left the colony altogether, while others again took employment from the settlers at probably higher wages than the firm of Brogden and Sons was offering.

611. Is it not a fact that the Government abandoned the attempt to recover any money from the immigrants on account of their promissory notes?—As far as I can recollect, no persons, or very few, were brought before the Courts to compel them to pay while I was Immigration Minister, and I do not think that the Government immigrants paid much of the money that they owed.

612. And ultimately all attempts to recover the money were abandoned?—I do not know that officially, but I have heard it stated that it was so.

613. I presume that would affect the chance of the Messrs. Brogden recovering their money?—Yes; I think it was so stated by the Agent-General, Dr. Featherston.

614. I believe you were examined as a witness before a Committee that inquired into the matter on a former occasion?—Yes; that was in 1873.

615. You are reported to have stated there that “to all intents and purposes the contributions Government received for Brogdens’ immigrants, of £10, were the same as the contributions of the ordinary Government immigrants.” Is it a fact that the whole of the money, or part of it, was paid in cash?—The Government stopped the moneys from amounts due to Messrs. Brogden on their railway contracts.

616. I believe the system of free immigration was adopted by the Government during the time you were in office?—Yes.

617. Do you not think that would materially interfere with the Messrs. Brogden’s chance of recovering the moneys due to them on their promissory notes?—No. Before the Government established free immigration the Brogdens had discontinued their contract to bring out immigrants.

618. Do you not think the immigrants would object to pay this £15 when they knew that others were being brought out for £5?—Yes.

619. Are you aware that a letter was addressed by the Messrs. Brogden to the Agent-General on 12th June, 1873, on this subject?—Yes; I have read all the correspondence.

620. And in that they recapitulate the arrangements under which the agreement of June was effected?—Yes.

621. Can you say whether the Agent-General ever, in any communication with the Government, disclaimed the statement there made?—I am not aware that he ever disclaimed the statement. I think that the Messrs. Brogden, in taking the contract, did not expect to make any profit or any loss.

622. You do not recollect any disclaimer on the part of the Agent-General in reference to this matter?—I recollect that a letter was received from the Agent-General to the effect that, in consequence of our changes, the Messrs. Brogden would experience greater difficulty in getting in their money. I have no recollection of any letter in which the Agent-General disclaimed any recollection of this matter. The letter which was written in July must have been received by the Immigration Office before I left the Ministry in October. The letter which has just been handed to me has not been printed with the other documents, and, before saying anything about it, I should like to be allowed to have an opportunity of reading it. I believe it is the reply to a letter from the Immigration Department in November, 1872, directing the Agent-General to hear the claims of Messrs. Brogden to be allowed to abandon their contract, and in which he was instructed to offer them such a modification of their contract as would appear to him reasonable.

623. *Mr. Bell.*] You will remember that your letter refers only to future contracts?—Yes, I remember that the language of the letter was that it should only refer to future transactions.

624. *Mr. Turnbull.*] What sum was charged by the Government for bringing out immigrants when the contract was first entered into with Brogden?—During the time I was in office the charges were varied I think three times. I could not be positive whether we were charging £10 or not for assisted immigrants, but I think the charge at that time was only £5. I think the clerks in the Immigration Department would be able to give more definite information. The Government found that, in consequence of the Agent-General’s changes in March, 1873, immigrants were getting free passages one week and having to pay for passages in the following week.

625. In the letter of the 10th July was any memorandum made with reference to the matter?—I do not know, as I have not yet read the letter.

626. *Captain Kenny.*] You made use of the word “contract” just now. To what do you refer?—The immigration contract of 27th June, 1872.

627. Is that the instrument referred to?—Yes.

628. By that contract, were Messrs. Brogden obliged to continue sending out immigrants after June? What was the nature of that instrument?—The Messrs. Brogden contracted to land a certain number of persons in the colony, the contract being made with the Agent-General.

629. Do you remember the 6th clause of the petition, in which an allegation is made to the effect that Messrs. Brogden implicitly relied on the assurance that they should be indemnified against all loss?

Is there no memorandum from the Agent-General describing his action in the first instance?—I was not aware that the Government were pledged to indemnify Messrs. Brogden against any loss under that contract.

630. Then you do not remember any report from the Agent-General to the effect that he had given any assurances, such as are described in this petition, which would prevent them from being losers by this transaction?—I do not think anything of the kind was reported by the Agent-General during the time I was in office. There was nothing to that effect, as far as I remember, except the statements made by the Messrs. Brogden in their petition and the correspondence. I think Messrs. Brogden said they had that promise from the Agent-General so long ago as the year 1872.

631. But the Agent-General did not refer to the matter in any way?—No, not to my knowledge.

632. *Hon. Mr. Dick.*] This petition refers to interviews which Mr. James Brogden had with you in 1872; in which interviews he urged that the Government should relieve his firm from their liabilities?—Yes; and I may say that Mr. James Brogden not only saw me, but Mr. Waterhouse also, on the subject. Mr. Waterhouse was then Premier. In October, 1872, immediately after the session, I had to go to Auckland, and Mr. Waterhouse received Mr. James Brogden in my absence. When I returned to Wellington, in the following January I think, I had interviews with Mr. James Brogden, and they were doubtless practically the same as those he had had with Mr. Waterhouse.

633. Are you aware that any relaxation of the terms was agreed to at any of these interviews?—No; the whole of the arrangements were remitted to the Agent-General, who was supposed to be much more fully acquainted with the circumstances than the Government could be.

634. In November you sent a despatch to the Agent-General, informing him that if he thought proper to modify the arrangements he could do so: were you influenced by your conversation with Mr. James Brogden to send that despatch?—Yes, probably I was. That would be only applicable to future transactions, and not to the past. I find, on reperusing the evidence, that we tied the Agent-General strictly down to the future transactions, and not to the past.

635. This was after Messrs. Brogden had abandoned the bringing-out of immigrants?—Yes.

636. Then the Government adhered to the past without making any alteration whatever?—Yes.

637. You did not think it necessary, notwithstanding all the arguments of Mr. James Brogden, to relax the agreement?—I have an impression that we thought the Agent-General ought to deal more favourably with the Messrs. Brogden than the contract admitted of his doing, but, as the correspondence shows, we limited him to future transactions.

638. *The Chairman.*] Are you aware why this immigration contract of 27th June was entered into?—It was entered into before I came into office. I know, however, that Messrs. Brogden represent that they entered into the contract at the instigation of the Agent-General, but, as I have said, the matter was arranged before I took office. I cannot say what was the reason or cause that actuated the Government in entering into it. The first I know of it was that, on taking office, the Messrs. Brogden wanted to get rid of the contract.

639. Representations having been made in New Zealand by Mr. James Brogden to Ministers that this contract was a losing one, and application having been made to relieve his firm of the liability why did not the Government relieve them of their liability as regarded the future?—I think that, practically, they did so, inasmuch as Messrs. Brogden ceased to send out any immigrants after they had, made application to abandon the contract.

640. In the letter of the 2nd November, 1872, where there are two applications, one to recoup them for past services, and the other to relieve them of future liabilities: with regard to the first, I understand that you refused to relieve them, while the second question you referred to the Agent-General himself. I wish to know why the Government itself did not at once relieve them from future operations?—The Government had only been a short time in office at that time, and the matter was referred to the Agent-General, and, as he exercised very large powers in these matters, we thought it better to leave the affair to him, acting under instructions received from the Government.

641. But what I want to ascertain is, why the Government did not use its own discretion and deal with the matter finally?—We thought the matter could be more easily dealt with by the Agent-General and the Messrs. Brogden (both parties being in England) than it could be by correspondence from here.

642. Were you at that time aware that the contract was invalid?—I do not recollect that. We were in that position that we could enforce the payment of the moneys due to us by them, because we had moneys belonging to them on account of railway contracts, and we could deduct from them the amounts they owed us.

643. Were you aware that you could not enforce the carrying on of the immigration contract?—No, I do not think so.

644. Did you wish to relieve them, or did you find that you had not the power to relieve them?—I think the Government were of opinion that they should not force Messrs. Brogden to carry out the contract, as it was pressing very hard upon them.

645. *Mr. Travers.*] Do you not think that the correspondence shows that they were guaranteed against loss?—I should not interpret the words of the contract to mean that they were to be indemnified for their losses.

Hon. JOHN HALL, Premier, examined.

645A. *Mr. Travers.*] The Committee will remember that the Agent-General, in a letter to the Colonial Secretary, stated that Mr. Hall was present at an interview which took place with Messrs. Brogden. I would now ask Mr. Hall what took place at that interview?—I recollect the conference perfectly well, and I remember also that I attended it at the request of Dr. Featherston. At that time I had recently arrived from New Zealand, and until I left the colony I was a member of Mr. Waterhouse's Government, which, to the best of my recollection, had received a remonstrance from Messrs. Brogden

on the subject of their treatment in the matter of the introduction of immigrants by them. In accordance with Dr. Featherston's request I attended at his office and saw the three Messrs. Brogden there. A long conversation took place on the subject, and they gave a number of reasons why they considered that they had been badly treated; but of course, after this lapse of time, I cannot recollect the details of the conversation. It must be remembered that the interview took place nine years ago. The letter of the 10th July says, "I have the honor to inform you that I had yesterday a conference with the Messrs. Brogden, at which the Hon. Mr. Hall was present. Mr. Hall, in the discussion, detailed fully the negotiations which had taken place in the colony between the Government and Mr. James Brogden." My impression is that this referred to an application to the Government by Messrs. Brogden for a reconsideration of their case, and it was because I had a personal knowledge of the subject that Dr. Featherston asked me to attend on that occasion.

645B. Have you read the Agent-General's letter of the 10th July since then?—I remember that the Messrs. Brogden did frequently, at the Agent-General's office, urge reasons why they considered that they had a claim on the Government. As is stated in this letter, these promissory notes given to the Government were for a less amount than that which Messrs. Brogden received from the immigrants. I have no further recollection of the matter than that they urged these points as grounds for relief. Dr. Featherston did not make any promise at the time; he was very guarded in his expression of opinion.

645c. *Mr. Bell.*] Can you remember whether Dr. Featherston admitted that he had made any representation to the Messrs. Brogden, such as they have asserted that he did make?—No, these things occurred over eight years ago, and I cannot remember details.

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THURSDAY, 4TH AUGUST, 1881.

MR. BELL'S STATEMENT.

*Mr. Bell:* I do not desire to make a speech, but will simply confine myself to calling the attention of the Committee to the new evidence which Messrs. Brogden have adduced in support of their petition, and will briefly point out how it bears upon the case. This is now the third time that the grievances of Messrs. Brogden have appeared in a printed statement, whereas the case for the Government has never been presented in a collected form; were it not for this, I would not take up the time of the Committee with an address dealing with the facts from the Government point of view. There has been previously no opportunity of even stating briefly the reasons which have induced successive Governments of the colony to refuse to give consideration to these claims. The Committee will remember that this petition is founded upon certain grievances, which may be very shortly stated in this way: First, that the Brogdens entered into the immigration contract at the urgent request of the Government, and not at their own wish. Secondly, that the contract of 1872 was made, and the prior shipments of immigrants were made, upon the faith of certain representations by the Agent-General to the Messrs. Brogden, upon which representations they necessarily relied, but which representations, however, proved to be incorrect. Thirdly, that immediately after the execution of the agreement the Government began taking out immigrants in the same ships on more favourable terms, and that this created disaffection, which resulted in repudiation by Messrs. Brogden's immigrants of their promissory notes. Fourthly, they allege that every possible chance of recovery was extinguished by the abolition of imprisonment for debt. I propose to call the attention of the Committee to the new evidence bearing upon these several allegations, feeling sure that the members of the Committee have in their minds—without any need of recapitulation of facts by me—the printed evidence taken before the Committee of 1873, and the printed documents which have been presented by the Messrs. Brogden. Now, what I would say, first of all, is that the evidence, as a whole, shows clearly that Messrs. Brogden did enter into the immigration scheme for their own benefit, and that they always intended to import immigrants—their expressed intention being to control the labour market. Mr. A. Brogden himself frankly admits that they would have sent out 500 or 600 workmen in any case. This is borne out by his letter of the 8th February, 1872, to Mr. James Brogden, in which he states, "We shall also be sending out 500 to 600 workmen." Then, in corroboration of this, I may refer to Mr. Henderson's letter of the 24th January, 1872, in which he says, "Should you engage men, which we feel sure you may safely do, let it be for labour, 5s. 6d. for nine hours." Mr. Henderson, in the same letter, also writes, "The men here employed upon the works have struck against the nine hours' system, but should they for the present submit to the nine hours the moment we commence work upon a great scale we may expect another strike, and hence the necessity of arranging with Dr. Featherston for a supply of good mechanics and labourers sent out by you so as to be under your control, although the passage is paid by the Agent-General." It will be observed that he says, "so as to be under your control." And he adds, "300 men could be sent here"—that is, to Auckland—thus clearly showing that the Messrs. Brogden all along intended to import immigrants to control the labour market and to enforce the nine hours system. In further support of what I submit, I will quote from the letter of Mr. Noble, manager of Messrs. Brogden's firm in London. Writing on the 14th March, 1872, Mr. Noble says, "We are now merely collecting up the men who were under promise to go, and waiting further news from you before making fresh engagements." That shows that Messrs. Brogden desired a particular class of men, and we have Dr. Featherston's positive statement, in the despatch of the 10th July, 1873, that the class of men the firm desired—single men and navvies—was not such as the Government were anxious to import, and therefore it was absolutely necessary that Messrs. Brogden should import them for their large railway contracts. The Committee will remember that Messrs. Brogden's terms were that all men should remain in the employ of the firm for two years, and Messrs. Brogden, if they could have managed to enforce that condition, would have had the control of the labour market, for they had the works for nearly a million—which was a very large part of the contracts being carried out under the public works system at that time—and they tendered for nearly all the other railway works, and no doubt expected to get them. Now, what I wish to impress upon the Committee as the view taken by successive Governments of this claim is this: that from the very first, and throughout, Government refused to take the risk of absconders. They offered to find the pas-

sages, deducting the passage-money from the moneys payable to Messrs. Brogden. The Government said, in effect, "You want a particular class of men; we will import them. We will take your promissory notes, but we will not take those of these men. You deal with the men, and you can make what terms you like to protect yourselves." That was the position from the very first, and I propose to prove it from correspondence which took place before any immigrants were imported. This is made perfectly clear by Mr. James Brogden's letter of the 25th November, 1871, in which, after stating the terms proposed by the Government and himself, he says, "I thought we could have worked the matter out that the Government would take the risk, as they enforce a limitation on the price to be paid for labour—I therefore thought it would be better that you arrange with Dr. Featherston. We could not agree as to the Government taking the risk of absconding persons." It is perfectly clear that the Government refused to do the very thing which Messrs. Brogden are asking the Committee to have done now. Mr. James Brogden referred the matter Home, for the purpose of getting rid of the risk, no doubt. Then the Government, in referring the matter to the Agent-General (D.-1, 1872, page 10), expressly intimate that Messrs. Brogden must take the risk of recovery themselves. That is how I read that memorandum. I take it for granted they had it in their mind, and that what they proposed in this reference Home was that the Agent-General and the Messrs. Brogden should agree upon some margin, but that the Brogdens were to take the risk throughout. Now, the Messrs. Brogden had ample notice of the risk, because, in the same letter of the 25th November, 1871, which was the beginning of the whole matter, Mr. James Brogden used these remarkable words: "Dr. Featherston has some experience in this" (*i.e.* promissory notes), "as in Wellington Province alone he was a party to a loss occasioned to the extent of £40,000 on account of persons who either repudiated their promissory notes or absconded." In writing, therefore, in November, 1871, before they commenced sending out immigrants, Mr. Brogden informed them of a loss in one province alone of £40,000; and yet Messrs. Brogden say they could not have anticipated such a difficulty. They say they could not have anticipated it; but I submit the Committee has positive and conclusive evidence that they had ample notice of the circumstances of the colony—a member of their firm was on the spot, and his attention had actually been called prominently to the fact that there was a risk of absconders—such notice as would be sufficient to disentitle the firm to relief in any Court of equity, and even, I submit, before a Public Petitions Committee, which no doubt takes a wider view of such matters than a Court of equity. To a lawyer, at least, the statement that Messrs. Brogden could not anticipate the difficulty surrounding the recovery of these promissory notes seems absurd. Mr. James Brogden had the best legal advice that could be obtained in the colony. He had months during which he could have communicated those circumstances to England. For the Messrs. Brogden, to whom he referred it, to say now that they had no notice of these difficulties, that they in England did not know what Mr. Brogden knew, is, to a lawyer, absurd; and I think it would also seem the same to any ordinary mind not twisted as a lawyer's is, perhaps, apt to be twisted. Of course, the main question arises upon the negotiations with the Agent-General, if the Committee really think that the remarks made by the Agent-General upon the question are to bind the colony. Now, the representations of the Agent-General were, I submit, if they are proved at all, mere statements of the Agent-General's opinion. While the negotiations were going on, and before any agreement was signed, Messrs. Brogden continued to send out immigrants, they taking promissory notes for £16, and undertaking to hand to the Government their own promissory notes for £10. If the Agent-General said that the promissory notes were legal, and that judgment could be recovered upon them in the colony, he said what was strictly true. If he said there was a law of imprisonment for debt in force in the colony, he said what was strictly true, and continued to be strictly true up to the end of 1874, when an Act much more useful for enforcing payments was passed. Then comes the third point. If the Agent-General said that a margin of £5 would be sufficient to cover all losses, he said what turned out to be incorrect. That was merely the opinion of the Agent-General: it was for the Messrs. Brogden to fix with the Agent-General a margin which would be sufficient to protect their firm from loss. If it has been proved he made such a statement, it is, I submit, to go for no more than a mere expression of his opinion. It is the first time I have ever heard that a mere opinion, expressed by a party to a contract, is to be construed as a representation which would entitle the other party to be freed from his obligations under the contract. Mr. A. Brogden (4th April, 1872) writes, "We discussed the question several times with Dr. Featherston, and, as I mentioned in my last letter, he proposed that the Government should pay the passage and we repay them by instalments, less 25 per cent. to cover loss which the Government would bear. We have proposed and arranged verbally with the Agent-General that we act upon these terms, keeping a strict ledger account." And on the 7th March, 1872, Mr. A. Brogden writes, "We shall also continue to send out immigrants until the number you mention is reached. We shall arrange with Dr. Featherston on the basis of our undertaking the liability of the passage-money with the Government, much in the same way as proposed in the draft agreement." Well, about this draft agreement: the Committee will remember that the difficulty was that the Government would not undertake the loss. That was the very objection that Mr. James Brogden raised to the draft agreement of 1871—the objection that Government would not take the risk. Mr. A. Brogden says, "We will arrange with the Government as proposed in the draft agreement." Now, the Committee will remember that Dr. Featherston always distinctly refused to have accounts or let the Government have anything to do with risk. He said, "There is no finality in such an arrangement; fix the margin and you take the risk." He would not agree to Messrs. Brogden's proposal, because there was no finality about it. Dr. Featherston never admitted that he made any such statement, but it is true that he has not denied it. There is a very curious letter from Mr. Noble, which I think favours this view, that the statement which Dr. Featherston made was not made till after Messrs. Brogden found the immigrants refusing to pay. If that view be correct, Mr. Brogden is mistaken—of course I mean honestly mistaken—in fixing the time when the statement was made by Dr. Featherston. Mr. Noble, writing on the 1st November, 1872, says, "Your brother saw Dr. Featherston yesterday, but he will not release them from any portion of the emigration agreement. He says that there is ample margin allowed in the difference between the £10 paid him and the £15 we can charge to cover any possible loss, and he backs up the statement by his own personal experience. I believe your brother will try and get this



from him in writing, as it will be a powerful lever in any appeal to the Government for a modification of terms in case of loss to be able to show that the agreement was signed upon his representations." Mr. Noble seems there to have desired that the statement made by Dr. Featherston in November, 1872, should be reduced to writing, and it does not seem improbable that there may be a misconception in Mr. Brogden's mind as to the time when Dr. Featherston said the margin would be sufficient. Mr. Brogden may be in error when he says the representations were made previously. I suggest this was the date when Dr. Featherston said, in effect, "I know the margin will be sufficient to protect you, the 33 per cent. profit will bring you out right." Not that I think it is of much importance, because I cannot see that a statement of opinion, such as Dr. Featherston is said to have given, can bind this colony to surrender obligations which Messrs. Brogden entered into with it. I submit it was clearly agreed that Messrs. Brogden should take the risk, and that in fixing their margin for the risk they should have rested on the advice of Mr. James Brogden, which there was ample time to have obtained, and which they actually did obtain. The other matters which Messrs. Brogden seem to place so much reliance upon I apprehend the Committee will say were never proved. The terms upon which their immigrants were imported were, they say, worse than those conceded to the Government immigrants. Of course, but that was by the act of Messrs. Brogden themselves. They should have known perfectly well what the consequences would be of bringing out their immigrants at one rate, while Government immigrants were brought out at a lower rate. If they did not know they failed to discount human nature. Why should they ask the colony to recoup them for their ignorance of human nature? Messrs. Brogden blame the Government because these men were dissatisfied. But the Committee will find that, throughout the period over which these immigrants of Messrs. Brogden were imported, there was never any alteration of the immigration conditions of Government immigrants, except in regard to nominated immigrants. When the contract was signed Messrs. Brogden knew that their immigrants had to pay more. Why should the colony compensate Messrs. Brogden? It was only a natural disinclination on the part of men coming out in ships with Government immigrants to pay more than their fellow-passengers, and any person of ordinary foresight would have expected that difficulty at once. That difficulty was actually foreseen in the colony before any immigrants were landed; for on the 6th July 1872, Mr. Henderson, their agent, writes, "I am sorry that the immigrants were not sent out on the usual Government terms, namely, £5 cash, or £7 10s. promissory note. I am afraid the men on arrival here will feel dissatisfied, and that we shall lose many of them. Please do not send any more except upon the usual Government terms, and even then the Government ought to allow you 25 per cent. for risk, and pay all expenses, &c." That was Mr. Henderson's idea. I do not place too great reliance on that, because Mr. Henderson had not been long enough out here to form an opinion from the special circumstances of the colony. But, from his knowledge of human nature, he knew what would happen. This, however, was a matter which Messrs. Brogden were as competent (nay as large employers of labour, far more competent) to judge of as the Agent-General. One other point I wish to refer to, and that is, the charges for transhipment. Messrs. Brogden allege that the Government did not perform the fourth clause of the contract, by treating the Brogden immigrants in as beneficial a manner as Government immigrants. Upon that point I have elicited that the colony has repaid to Messrs. Brogden the sum of £1,126 or thereabouts, which they had expended in landing expenses and medical comforts. Another sum of £300 odd, claimed on the same ground, remains under consideration, the items being questioned: there has been no definite refusal to pay that sum if properly vouched. With regard to this question of transhipment charges, I simply submit that, so far as the colony was concerned, it did not matter whether 300 men were landed in Wellington or in Picton: the colony, once they were landed, got the benefit of the immigration, and they were as good to the colony at one port as at another. Of course it would be better for the Messrs. Brogden to have the men where they wanted them. But I do not see why the Government should pay for conveying Messrs. Brogden's labourers to whatever part of the colony they were wanted at the time. Messrs. Brogden must pay for the transhipment of their men as any other contractor would have to do. With reference to the complaint about the abolition of imprisonment for debt, it is enough to point out that Mr. Henderson said, in 1873, that imprisonment for debt was useless to them because they had to pay 10s. per week for each man imprisoned; and that the grievance now is that the last chance of recovery has been extinguished by the Act for the Abolition of Imprisonment for Debt. Some curious evidence has been adduced from the immigrants landed here by the petitioners. Three men who remained here in Wellington all the time, but were not sued till twelve or fourteen months after they landed: that men living in a place where the firm had their head-quarters were not sued for so long a period is strong evidence that Messrs. Brogden did not use any diligence in endeavouring to recover upon the notes. The probability is they had this present claim in view, and preferred to rely on the chance of getting their money back from Government. It may be gathered, from the evidence that they gave in 1873, and from the manner in which they conducted themselves since, that they were advised they could resist the payment of their own promissory notes—as they endeavoured to do in the case of Brogden *versus* the Queen, when they were defeated. I think, from the way in which Messrs. Brogden have lain on their oars, as they have preferred to do, it is pretty clear that they thought that they could get their money from Government—and get it without trouble and expense; and that, instead of taking action to get in these moneys, they contented themselves with the opinion of their legal advisers that Government could not stop the amount of these notes from sums payable to the firm. In conclusion, I would ask the Committee to believe that I have not stated one-tenth part of what I understand to be the Government case. I would ask the Committee also to believe that I refrained in cross-examination from asking numerous questions which I had intended to put. I have neither directed any part of my cross-examination, nor any part of my remarks, to show that it is a stale claim or an unfair claim. I have rested throughout upon this: that successive Governments have all agreed that there is no equity in this claim—that there is no scintilla of right to claim the allowance which Messrs. Brogden ask for. I have tried also to show, from the new evidence that they have brought before the Committee now, in addition to that which they brought before the previous Committee, that they have never had a shadow of right to say to the colony that the colony has repudiated any engagement



of the Agent-General, or treated them less fairly than it would have treated residents of the colony I propose to call evidence to show that an allowance was made in Messrs. Brogden's contract for the hours of labour. That, of course, is a matter which bears upon the subject. It is true that Mr. Carruthers said there was only a slight allowance made, but the Committee will remember that that was not borne out by the evidence of Mr. Henderson, who was acting for Brogdens in 1872. There is a somewhat singular discrepancy between the evidence of Mr. Henderson and that of Mr. Carruthers. To throw light upon that subject, I propose to examine Mr. Richardson.

*Mr. Cave:* With reference to this return furnished by the Government to the Committee, I would point out that it does not show on the face of it in respect of what promissory notes the recoveries have been made. It does not give the dates of the promissory notes in respect of which the payments have been received. This is a return extending over ten years, and includes recoveries made within the whole of that period in respect of all the promissory notes taken from emigrants by the Government during the same period, and therefore gives a misleading view

Hon. Mr. RICHARDSON, C.M.G., examined.

646. *Mr. Bell.*] You were a member of the Waterhouse Government?—Yes.

647. When did you come into office?—In October, 1872.

648. You had nothing to do with the negotiations for the immigration contract?—No, nothing at all.

649. You were Minister for Public Works in that Government, from what term?—From a date early in November—I was previously Minister without portfolio—and I remained Minister for Public Works for more than four years.

650. You were well acquainted with the contracts entered into with Brogden, and not only with these, but also with the contracts of other contractors for the railway works of the colony?—Yes.

651. Were you Minister at the time when the contract for the million's-worth of public works with Messrs. Brogden was arranged?—No. The general agreement was arranged in 1871; but the works were let piecemeal, and the letting of them extended on till 1873. There were two large contracts let under the agreement by myself, during my term of office.

652. Can you state what is your opinion as to whether an allowance was made to Messrs. Brogden for a probable increase in the price of labour?—I stated distinctly, in my evidence to the Committee of 1873, that fully 15 per cent. was paid by the Government over and above the rates at which the works would have been done by contractors in the colony. I am sure that that percentage was allowed. It was done deliberately. At all events, in the contracts that I arranged, the addition of 15 per cent. over and above the Engineer's estimate was made deliberately in the Cabinet. It was added upon my representation.

653. Have you a return showing the prices at which Brogdens contracted, and prices at which contractors who tendered publicly contracted?—I have not a return exactly of that kind, but such a one was prepared before I left office. The total amount of Messrs. Brogden's contracts was just short of a million. Comparing the prices of other contractors whose contracts were taken and carried out concurrently with those of Messrs. Brogden, the result showed that the colonial contractors' prices were more than 20 per cent. below the prices paid to Messrs. Brogden for their work—that is, taking the average of Messrs. Brogden's contracts, and the average of the other contracts. That return I cannot lay hands upon now. I have a statement also, which I had prepared as far as it went, before a Committee of 1873, and has since been completed. This is a statement of all contracts which Brogdens and their agents tendered for publicly. I will put that statement in. [Statement handed in.] That shows that the contracts tendered for by Messrs. Brogden publicly were all let at an average of 20½ per cent. below the prices they tendered for. These are the contracts which Messrs. Brogden tendered for and did not succeed in getting, and the return shows the sum they were let for to private contractors.

654. *The Chairman.*] I understand, Mr. Richardson, that this 15 per cent. which was agreed in Cabinet to be given to Messrs. Brogden was over and above what was considered the value of the work to local contractors. Was that done from the beginning of the arrangement with the firm?—No; at the earlier stages, and before I took office, the process had been, as was explained before the Committee in 1873, that Messrs. Brogden and the Engineer-in-Chief met together, and arranged what was considered to be a fair price for the work; the Engineer-in-Chief then brought up his report to the Government, and the works were accepted or otherwise. When I took office I objected altogether to that course; I called upon Messrs. Brogden to tender for the work, and I also called upon the Engineer-in-Chief to send in his estimate of what the work would be if done by ordinary contractors in the colony. Then the Cabinet, knowing what had been done previously with the other contracts, and which has been stated in evidence before the Committee of 1873, agreed upon my recommendation to add 15 per cent. to the Engineer's estimate of what the total cost would be if done by local contractors, as estimated by the Engineer-in-Chief; and Messrs. Brogden were to have the work if their tender was below that, or about it.

655. It was in October, 1872, that the new system was introduced?—Yes.

656. What was the relative price of the works given to Messrs. Brogden before that time, compared to what local contractors would have done the work for?—The actual difference was a trifle over 20 per cent.

657. In contracts let before October, 1872?—Yes; that was the difference.

658. Was that 20 per cent. or 15 per cent. made to Messrs. Brogden in consequence of an anticipated rise in the price of labour?—It was given as 15 per cent., but in reality it worked out to 20 per cent. It was supposed they should have 15 per cent. given to them to cover liabilities, more than any other local contractor would have to provide: that is to say, going into large works, it was known labour must rise, and for this, and increase, and other contingencies, they were allowed 15 per cent.

659. Had this anything to do with covering losses in the immigration contract?—The immigration contract was never considered. The circumstances under which that contract was entered into were quite understood by myself, and I always had a clear idea about it, because Mr. James Brogden consulted me immediately after his arrival in Wellington respecting it, and I advised him myself by telling

him what had occurred in my own case. I had been a contractor in this colony, and I told him that myself and partners had had to import, at our own cost, a large amount of labour to get the market steady. He told me that he had written Home two or three times about the matter, and that he intended to take steps to have the proper class of men sent out.

660. *Mr. Murray.*] Was this contract for immigration treated as a separate concern?—It was treated so far as a separate concern, but a condition in the immigration contract was fulfilled which gave the right to the Government to deduct from the other contracts the amount of the promissory notes issued by Messrs. Brogden under the immigration contract.

661. Had this 15 per cent. which the Brogden's got above the estimated cost by the Government Engineer anything to do with recouping them for any loss which they might sustain through the non-fulfilment of immigrants in paying their promissory notes?—It had nothing whatever to do with it. They had to provide their own labour from whatever source they pleased. The matter of importing their labour was not recognized in any shape or way, so far as these works were concerned, except that the amount due to the Government for their promissory notes was to be stopped from the contract payments.

662. Then, why did Messrs. Brogden get 15 per cent. more than other contractors?—Because it was held at the time that, coming out from England, as they were put to a very large expense, their works being broken up—a bit in this part of the country, a bit in another—they were under larger expense than any other contractor. It was also held that any contractor taking the work would have to get labour somewhere, of a kind specially suitable for public works.

663. Would other contractors not have to get labour as well as Brogdens?—Doubtless they would, and doubtless they provided in their own calculations for getting labour.

664. *Mr. Turnbull.*] You said that 15 per cent. was paid over and above the estimated cost of the works: I want to know if the 15 per cent. alluded to is the contingency which is put in in all tenders?—No; the estimates included the ordinary contingencies allowed to contractors; and then there was an additional 15 per cent. paid to them.

665. *Hon. Mr. Dick.*] You say you gave Brogdens work at more than the Engineer's estimate, and then added 15 per cent. to that estimate?—I gave them more than the Engineer's estimate, and the percentage in addition. The Engineer's estimate afterwards turned out correct. The public tendering showed it to be so.

666. Did you consider that the colony owed something to Messrs. Brogden, in consequence of the engagements entered into with them by Sir Julius Vogel?—Yes, of course; and Parliament, after considering the matter, directed the Government to find them a million's-worth of works. The firm's difficulties, arising from all sources, were taken into consideration in the arrangement of all their works. You will find, from the evidence of Mr. Henderson before the Committee of 1873, that due and full consideration was given to all these points.

667. And, after you got tenders from others, you found they were 20 per cent. less than the price paid to Brogdens for their contracts for similar works?—Yes.

668. Were the contracts performed by other contractors quite as well carried out?—As a rule, they were equally as well done.

669. With 20 per cent. less paid for them?—Yes.

670. In some respects, your position as a contractor was similar to Brogdens—that is, you took a large contract from the Provincial Government of Canterbury?—Yes.

671. And on your arrival in the colony you found you could not carry it out without interfering with the labour market?—It did interfere. In the first place, my partner came down, and was advised in the same way that Mr. Brogden was. He was advised by the then Superintendent, Mr. Moorhouse, that we should have a great deal of trouble if we did not import men ourselves; upon the strength of that, I brought down with me 100 men, and we afterwards imported 300 more. We brought more than 400 men into the colony and did so entirely at our own cost. In the settlement of accounts we suggested that bringing so many men into the colony at our own cost was a reason why we should receive reasonable consideration; but it was refused point blank, in any form or shape.

672. Mr. Brogden arrived here before you became Minister for Public Works. The Government suggested to him to consult you about the labour question?—Yes.

673. Did you inform him of the difficulties your firm had had about labour?—Yes.

674. Told him you had imported labour at your own cost?—Yes.

675. Are you aware whether Mr. James Brogden took action on your advice?—Mr. James Brogden told me that he had at once taken action upon it, and advised his firm at Home to send out men.

676. Then your idea at that time was that Brogdens were acting similarly to what you had done—that they were bringing out their men at their own cost?—Certainly.

677. *Captain Kenny.*] Did Messrs. Brogden tender for any other works besides those for which they sent in private tenders?—Yes; they tendered in their own names, and tenders were also received which Government understood to be Messrs. Brogden's, though they were in the name of gentlemen working with them. They tendered by themselves and agents for some £870,000, by public competition.

678. What difference was there between their tenders and the tenders which were accepted?—An average of 20 per cent.

679. Can you state the value of the works done by Messrs. Brogden?—About a million: it might be more; but their contracts amounted to about a million. The prices which I referred to before were prices of contracts of other contractors running concurrently with those of Messrs. Brogden, and would average 20 per cent. less.

680. Reference has been made more than once to the discrepancy between the evidence of Mr. Henderson and Mr. Carruthers—can you explain that discrepancy?—It is very easily accounted for. Mr. Henderson, surrounded as he was by gentlemen on the Committee of 1873, who, on behalf of the Government, made these contracts, himself being a partner, and therefore interested in them, stated that all these matters had, in arranging the prices given for the work, received due and full consideration. Mr.

Carruthers, on the other hand, says, "I did not make any special allowance to Messrs. Brogden." But he said, "Whoever has these works will be put to very considerable expense, and I have allowed for it." The allowance was made in that way. That it was made is proved right through the piece, from beginning to end, in the price of the works which Messrs. Brogden got by private tender and in the price of the works offered them by private tender, which they did not accept, and which were afterwards let by public tender, the same difference of about 20 per cent. appears. Then, the works which Brogden tendered for publicly, were let to local contractors by public tender, at about 20 per cent. less than Brogden's, and within, as a rule, of about 5 per cent. of the Engineer-in-Chief's estimate.

681. Then, it may be concluded that among contractors and business men generally this rise in wages was anticipated?—No doubt.

682. And that they made arrangements for introducing immigrants, or tendering at prices which would anticipate the rise?—I presume so.

683. *Mr. Turnbull.*] Then, you reckon that Messrs. Brogden were paid £150,000 by the colony more than they should have been?—I certainly do not say that.

684. You say they got 15 per cent. on a million's-worth of work?—I say that Brogdens were brought out here in a most extraordinary position. Government and Parliament took the view that they must get a million's-worth of work at fair prices; and it is a question what were fair prices under the circumstances.

685. *Hon. Mr. Dick.*] That arose from the position in which Sir Julius Vogel had put the colony with respect to the firm?—Yes: the same thing would have had to be done for any other firm that might have been sent out under similar conditions as those arranged with Messrs. Brogden in England.

686. *Mr. Barron.*] I did not clearly understand from you whether Mr. Carruthers based his estimates entirely on the tenders of other contractors, or whether he took into consideration actual quantities, and the price of labour in the market at the time?—In the first place there is his evidence on record, showing how prices were agreed upon for contracts amounting to about £700,000. Afterwards the Engineer made his own estimate in detail, which he submitted to me, and I submitted it to the Cabinet. He allowed the full profits on to the tenders before they came up to be dealt with by Government. The whole practice of the department was that, whenever a public tender was called, the Engineer sent his estimate in, and the Minister based the action taken by the Government on that estimate.

687. Then it is a fair assumption to suppose that those contractors upon whose estimates these contracts of Messrs. Brogden were based would take into consideration a fair margin of profit?—Yes.

688. Then, in addition to the 15 per cent., they would have the margin of profit that the other contractors allowed for?—To a great extent they had. It was known that, owing to their works being so cut up, they were put to some expense; but in their estimate, before the 15 per cent. was put on, a fair margin for profit and contingencies was put on Mr. Carruthers's estimate.

689. It is no unfair assumption to suppose that the Messrs. Brogden had a profit from the Government of 30 per cent., 15 per cent. above the Engineer's estimate, and the usual 15 per cent. margin of profit?—I do not state that at all. That is a matter of opinion. I stated what was the ruling price of work for the time, and how the prices were arrived at and tenders dealt with by Government. No further allowance was made than would have been made to Brassey or any one else in the same position.

690. *Mr. Cave.*] If, as I understand you, the work was split up into smaller sections, then the Government would have got it done cheaper?—Practically it was split up into small sections.

691. Can you state, of your own knowledge, whether the work which was given to these small contractors was completed within the terms for which it was let?—In a great many cases it was. Taking it upon the whole it was done quite as favourably and as near within the margin as the Brogden contracts.

692. Did not some of the contractors fail, and the Government have to take over the works at a loss?—In some cases the contractor failed, but I do not know that the Government sustained a loss. I think the guarantors completed the contracts—that was, on the Wellington and Masterton Railway. The immigrants my firm brought out were not from England, they were from Australia.

693. I think you were Minister when this letter of the 10th July, 1873, was received?—Yes.

694. Allow me to call your attention to this paragraph: "Dr. Featherston to the Colonial Secretary.—It was pointed out to them that Mr. James Brogden had commenced the negotiations in the colony, and had been on the point of signing the contract, when, at the last moment, he declined, on the ground that he preferred that the terms of the contract should be arranged between his brothers and myself; that, in order that they might be secured against loss, I agreed that they should take a promissory note of £15 from each adult, they giving to the Government a promissory note of £10 per adult; that this allowance of 33 per cent. might be deemed ample to secure them against loss." Would not that be, to your mind, an admission by the Agent-General that he had made an assurance to Messrs. Brogden that 33 per cent. was enough to secure them against loss?—That is entirely an expression of his own opinion. I know what has taken place throughout the piece, and I take the same view as was put upon it by counsel here to-day. It is simply a matter of opinion of the Agent-General all through.

695. *Hon. Mr. Dick.*] Am I correct in stating that Messrs. Brogden had a million's-worth of work before they had to go to competition for any?—Yes.

696. There were works being competed for before Messrs. Brogden got all their work?—Yes.

697. And you gave them a certain amount of work without competition, at a price based on those prevailing in concurrent contracts, and put 15 per cent. on to that?—Yes.

# APPENDIX.

[Return handed in by Hon. E. Richardson, C.M.G.]

STATEMENT showing the WORKS TENDERED FOR by Public Competition by Messrs. JOHN BROGDEN and Sons, and the Difference between their Tenders and the Prices at which the Work was let.

Contracts.	Dates and Amounts of Messrs. Brogden's Tenders.			Dates and Amounts of Accepted Tenders.			Difference between Messrs. Brogden's and Accepted Tenders.
	£	s.	d.	£	s.	d.	
Contract No. 1, Winton to Kingston Tokomairiro, Tokomairiro to Lawrence	May 16, 1873	16,703	16 2	May 16, 1873	12,760	3 10	£ 3,943 12 4
Glenore, Tokomairiro to Lawrence	" 22, "	14,141	14 9	" 22, "	11,023	0 11	£ 3,118 13 10
Roundhill, Tokomairiro to Lawrence	" 22, "	19,308	14 2	" 22, "	16,491	14 6	£ 2,816 19 8
Waitahuna, Tokomairiro to Lawrence	" 22, "	22,047	0 11	" 22, "	19,780	0 0	£ 2,267 0 11
Tuapeka, Tokomairiro to Lawrence	" 22, "	13,588	2 11	" 22, "	12,414	10 10	£ 1,173 12 1
Port Chalmers Wharf ..	" 22, "	17,212	18 8	" 22, "	13,846	6 8	£ 3,366 9 0
Wanganui, Wanganui to Manawatu	July 15, "	21,438	0 0	July 15, "	16,408	6 3	£ 5,029 13 9
Deborah Bay, Dunedin to Moeraki	Oct. 8, "	22,127	0 0	Oct. 8, "	16,372	4 8	£ 5,754 15 4
Hutt, permanent way, Wellington to Masterton	Mar. 9, 1874	70,023	8 11	Mar. 9, 1874	35,227	7 2	£ 34,796 1 9
Wangaeahu, Wanganui to Manawatu	April 17, "	3,209	7 0	April 17, "	2,125	0 0	£ 1,084 7 0
River, Wellington to Masterton	" 29, "	26,948	7 2	" 29, "	19,959	11 0	£ 6,988 16 2
No. 2, Winton, Winton to Kingston	" 30, "	20,600	9 4	" 30, "	19,138	0 0	£ 1,462 9 4
Pakipaki, Napier to Waipukurau	June 24, "	39,537	4 8	June 24, "	27,835	16 8	£ 11,701 8 0
Pakuratahi, Wellington to Masterton	July 15, "	23,773	4 4	July 15, "	19,532	15 0	£ 4,240 9 4
Port Chalmers, Dunedin to Moeraki	Sept. 2, "	87,609	18 6	Sept. 2, "	61,979	19 0	£ 25,629 19 6
Southern, Timaru to Waitaki	" 9, "	55,086	7 4	" 9, "	47,968	0 11	£ 7,118 6 5
Mataura, Clutha to Mataura	" 23, "	23,770	3 6	" 23, "	18,544	7 8	£ 5,225 15 10
Hook, Timaru to Waitaki	" 23, "	24,008	0 0	" 23, "	19,588	16 9	£ 4,419 3 3
Purakanui, Dunedin to Moeraki	" 23, "	44,622	17 11	" 23, "	35,852	0 0	£ 8,770 17 11
Brunswick, Wanganui to Patea	April 21, 1875	85,687	0 0	April 21, 1875	68,384	13 0	£ 17,302 7 0
Wanganui, permanent way, Wanganui to Manawatu	" 28, "	31,662	0 0	" 28, "	31,552	0 0	£ 110 0 0
Incline, Wellington to Masterton	May 26, "	4,945	13 0	May 26, "	3,895	0 0	£ 1,050 13 0
Marton, Wanganui to Manawatu	Oct. 1, "	61,125	9 8	Oct. 1, "	49,029	1 8	£ 12,096 8 0
Blueskin, Dunedin to Moeraki ..	Feb. 23, 1876	23,369	1 6	Feb. 23, 1876	19,356	0 6	£ 4,013 1 0
Westport Station, Westport to Mount Rochfort	Mar. 22, "	45,171	0 0	Mar. 23, "	45,000	0 0	£ 171 0 0
Rangitawa, Wanganui to Manawatu	May 26, "	32,458	6 10	May 26, "	30,070	17 11	£ 2,387 8 11
Clutha, form. and permanent way, Clutha to Mataura	" 31, "	11,972	16 9	" 31, "	9,958	6 8	£ 2,014 10 1
	" 14, 1877	10,770	10 0	" 14, 1877	10,000	0 0	£ 770 10 0
		872,918	14 0		694,094	4 7	£ 178,824 9 5

W A. THOMAS.

MR. A. BROGDEN to the CHAIRMAN, PUBLIC PETITIONS COMMITTEE.

SIR,—

Wellington, 8th August, 1881.

I beg to make the following observations on the return handed in by the Hon. Mr. Richardson at the conclusion of the last sitting of the Committee.

The first seven tenders on the list are on Mr. Smyth's own account. We never had any connection with or interest in them; and, as he carried out some contracts with the Government, I am unable to see why these are included in the list of tenders by us.

Tenders by Gwynneth have also to be taken out.

Of the remaining eighteen, at least nine were let to parties who failed, and the works had to be completed at the cost of the guarantors or the Government.

The Deborah Bay contract was the subject of public notoriety, and a large sum had to be added to the accepted tender.

The Purakanui contract was carried out at a heavy loss to the contractor; and in some of the other cases, if the contracts had turned out disadvantageously, the parties had not the means to bear the loss.

But Mr. Richardson, the then Minister for Public Works, must know, although he did not so inform the Committee, that the failure of contractors for railway works was of constant occurrence: no wonder that we declined to tender on terms and at prices involving such consequences.

Mr. Richardson's statement with regard to added percentages is not sustained by the list produced by him, as in one case there was only a difference of £110 in a contract of £31,500, and in two cases the odd money, even to pounds and shillings, appears to have been taken off, and the contract given to another contractor.

But Mr. Richardson, while including all the contracts in question in his statement, was in a position to speak only of those given to us after he became Minister for Public Works, which amounted only to £192,000. Mr. Carruthers is more competent to speak of those prior to Mr. Richardson's time, and his evidence is before the Committee.

I respectfully submit that Mr. Richardson's evidence is disingenuous, and calculated to mislead, and that the Committee should give no weight to it.

I shall be obliged if you will consider this as part of my evidence.

J Kelly, Esq., Chairman, Public Petitions Committee,  
Parliamentary Buildings.

I have, &c.,  
ALEX. BROGDEN

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Enclosed in Mr. A. Brogden's letter of 8th August, 1881.

STATEMENT showing the WORKS TENDERED FOR by Public Competition by Messrs. JOHN BROGDEN and Sons, and the Difference between their Tenders and the Prices at which the Work was let.

Contracts.	Dates and Amounts of Messrs. Brogden's Tenders.			Dates and Amounts of Accepted Tenders.			Difference between Messrs. Brogden's and Accepted Tenders.					
	£	s.	d.	£	s.	d.						
Contract No. 1, Winton to Kingston	May 16, 1873	16,703	16	2	May 16, 1873	12,760	3	10	J. M. Watson	3,943	12	4
Tokomairiro, Tokomairiro to Lawrence	" 22, "	14,141	14	9	" 22, "	11,023	0	11	J. W. Campbell	3,118	13	10
Glenore, "	" 22, "	19,308	14	2	" 22, "	16,491	14	6	W. Strachan	2,816	19	8
Roundhill, "	" 22, "	22,047	0	11	" 22, "	19,780	0	0	Morrison and Irving	2,267	0	11
Waiahuna, "	" 22, "	13,588	2	11	" 22, "	12,414	10	10	J. Goodfellow	1,173	12	1
Tuapoka, "	" 22, "	17,212	18	8	" 22, "	13,846	9	8	"	3,366	7	0
Port Chalmers Wharf, "	July 15, "	21,438	0	0	July 15, "	16,408	6	3	D. Proudfoot	5,029	13	9
Wanganui, Wanganui to Manawatu	Oct. 8, "	22,127	0	0	Oct. 8, "	16,372	4	8	W Strachan	5,754	15	4 (a)
Deborah Bay, Dunedin to Moeraki	Mar. 9, 1874	70,023	8	11	Mar. 9, 1874	35,227	7	2	D. and J McKenzie	34,796	1	9* (j)
Hutt, permanent way, Wellington to Masterton	April 17, "	3,209	7	0	April 17, "	2,125	0	0	McKirdy	1,084	7	0 (b)
Wangachau, Wanganui to Manawatu	" 29, "	26,948	7	2	" 29, "	19,959	11	0	W Pell	6,988	16	2 (c)
River, Wellington to Masterton	" 30, "	20,600	9	4	" 30, "	19,138	0	0	McKirdy	1,462	9	4 (d)
No. 2, Winton, Winton to Kingston	June 24, "	39,537	4	8	June 24, "	27,835	16	8	W H. L. Bennett	11,701	8	0
Pakipaki, Napier to Waipukurau	July 15, "	23,773	4	4	July 15, "	19,532	15	0	McKirdy	4,240	9	4 (e)
Pukuratahi, Wellington to Masterton	Sept. 2, "	87,609	18	6	Sept. 2, "	61,979	19	0	W F Oakes	25,629	19	6 (f)
Port Chalmers, Dunedin to Moeraki	" 9, "	55,086	7	4	" 9, "	47,968	0	11	W Strachan	7,118	6	5 (g)
Southern, Timaru to Waitaki	" 23, "	23,770	3	6	" 23, "	18,544	7	8	S. Pratt	5,225	15	10
Mataura, Clutha to Mataura	" 23, "	24,008	0	0	" 23, "	19,588	16	9	McMenamin and Co.	4,419	3	3
Hook, Timaru to Waitaki	" 23, "	44,662	17	11	" 23, "	35,852	0	0	D. Proudfoot	8,770	17	11
Purakanui, Dunedin to Moeraki	April 21, 1875	85,687	0	0	April 21, 1875	68,384	13	0	J Wain	17,302	7	0†
Brunswick, Wanganui to Patea	" 28, "	31,662	0	0	" 28, "	31,552	0	0	P Lanyon	110	0	0
Wanganui, permanent way, Wanganui to Manawatu	May 26, "	4,945	13	0	May 26, "	3,895	0	0	Wilkie and Denby	1,050	13	0
Incline, Wellington to Masterton	Oct. 1, "	61,125	9	8	Oct. 1, "	49,029	1	8	McKirdy	12,096	8	0 (h)
Marton, Wanganui to Manawatu	Feb. 23, 1876	23,369	1	6	Feb. 23, 1876	19,356	0	6	J D. Fraser	4,013	1	0 (i)
Bluegum, Dunedin to Moeraki	Mar. 22, "	45,171	0	0	Mar. 22, "	45,000	0	0	D. Proudfoot	171	0	0
Westport Station, Westport to Mount Rochfort	May 26, "	32,458	6	10	May 26, "	30,070	17	11	W Smith	2,387	8	11
Rangitaura, Wanganui to Manawatu	" 31, "	11,972	16	9	" 31, "	9,958	6	8	Nathan Wilkie	2,014	10	11
Clutha, permanent way, Clutha to Mataura	" 14, 1877	10,770	10	0	" 14, 1877	10,000	0	0	Proudfoot and McKay	770	10	0
		872,918	14	0		694,094	4	7		178,824	9	5

\* Contract amended.

† Carried out at a loss.

(Signed) W A. THOMAS.

Hon. E. RICHARDSON, C.M.G., to the CHAIRMAN, PUBLIC PETITIONS COMMITTEE.

SIR,—

Wellington, 15th August, 1881.

I have to thank you for giving me the opportunity of reading the statement signed by Mr. A. Brogden, in reference to the evidence I gave before your Committee in connection with Messrs. Brogden's immigration petition.

As there can be no doubt that the object of this statement of Mr. Brogden is to endeavour to show to the Committee that my evidence is not worthy of credence, and, to quote his own words, is "disingenuous, and calculated to mislead," I consider I am entitled to reply to his letter of the 8th instant, quoted above.

Feeling, as I did, that the subject-matter of the inquiry was of extreme importance, I was very guarded in the evidence I gave, and kept far within the mark in the adverse statements I made bearing on Messrs. Brogden's contracts, and the way in which they were carried out.

You will remember that, in handing in the statement of contracts tendered for unsuccessfully by Messrs. Brogden, I was very careful to state that I was not aware whether those sent in by Mr. Smyth and Mr. Gwynneth, who acted as agents for Messrs. Brogden, were on account of the firm. At the time, owing to the large amount of interest their Mr. Henderson took in connection with some, if not all, of these contracts, the department was led to suppose that they really were Messrs. Brogden's own tenders; but as he denies the fact there is an end to the matter, except that it is as well now to point out that, if these contracts are taken out of the statement I put in, the remainder show a larger percentage against Messrs. Brogden than if they were left in.

I have applied to the Public Works Department, since I have read Mr. A. Brogden's letters, for accurate information on the subject of these contracts, having only spoken from memory when giving my evidence, and now do myself the honor to forward you a statement supplied by the Accountant of the department, on reference to which it will be seen that I was perfectly justified in giving the evidence I did on the matter; and the fact remains that the works referred to were carried out for the sums named. And I may now be permitted to add that, with the exception of the Pakuratahi contract, all of them were let at prices within a trifle of the estimate of the Engineer-in-Chief, Mr. Carruthers; and in that particular case I am in a position to state that, had the management been good, and the contractors acted with ordinary prudence, it would have been carried out without loss either to the original contractors or their sureties—evidence to that effect having been given before your Committee on a previous occasion. Doubtless Mr. A. Brogden has obtained the information on which he has based his letter under reply from the same sources his firm did when tendering and carrying out their works, and have been equally misled *now as then*.

Mr. A. Brogden's statement, that I was only in a position to speak of the contracts that were let to his firm during my term of office, amounting to £192,000, is too absurd to require refutation, seeing that I was Minister for Public Works during the whole time all their contracts I referred to were carried out.

Mr. A. Brogden, while he refers to Mr. Carruthers's statement as to the percentage added, which I fully explained to the Committee, is particularly careful to omit all reference to his own partner's (Mr. Henderson's) evidence before the Committee in 1873, when, as I stated to your Committee, he was in the presence of all the gentlemen who had arranged the details of all their contracts, and there admitted that every consideration had been given to all the difficulties they had to contend with, including the labour question, in determining the prices paid to the firm. And I submit that Mr. Henderson's evidence on that occasion is of far more weight, given, as it was, at the time everything connected with these contracts was fresh in the memory both of himself and those who had made them on behalf of the colony, than anything that can be said now, after the lapse of eight years.

I regret that Mr. A. Brogden should have been led, by those who probably knew better, to make the remarks he has in his letter under reply regarding myself; but as all my connections with these matters were purely of an official character, and as Minister for Public Works for the colony, I decline to notice them in any other than in the manner I have herein.

I have, &c.,

The Chairman of the Public Petitions Committee.

EDWARD RICHARDSON \*

#### CONTRACTS for which MESSRS. BROGDEN and SONS Tendered Unsuccessfully

*Extract from Letter by Alexander Brogden to Public Petitions Committee.*

"Of the remaining eighteen [contracts], at least nine were let to parties who failed, and the works had to be completed at the cost of the guarantors or the Government."

(a.) *Wanganui Contract*.—Let to W. Strachan on 8th October, 1873. Taken out of his hands by Government on 25th March, 1875, and completed by the Government, at a cost of £2,151 9s. 10d. in excess of the original contract sum.

(b.) *Hutt (Permanent-way Contract)*.—Let to C. McKirdy. Contract sum, £2,125. By Order in Council additional work, amounting to £2,900, was authorized. Both Messrs. Brogden and Mr. McKirdy appear to have tendered for the same work, and, had the contract been let to Messrs. Brogden, they would of course have been paid for the extra work.

(c.) *Wangaehu Contract*.—Let to Walton Pell in April, 1874, by whom contract was assigned to Bank of New Zealand in March, 1876, and completed.

(d.) *River Contract*.—Let to C. McKirdy, and completed by him.

(e.) *Pakipaki Contract*.—Let to C. McKirdy, and completed by him. A bonus was promised if work was completed to time, but, as completion was some weeks over time, bonus was not allowed.

(f.) *Pakuratahi Contract*.—Let to W. F. Oakes, 2nd September, 1874. Assigned to J. E. Nathan, 9th August, 1877, and completed by him.

(g.) *Port Chalmers Contract*.—Let to W. Strachan, 9th September, 1874. Strachan declared bankrupt, 12th July, 1875. Work relet to Allen and Kingstreet, who completed the contract, at a cost of £2,163 3s. 1d. less than Strachan's original contract.

(h.) *Incline Contract*.—Let to C. McKirdy, 1st October, 1875. Assigned to sureties (Young and Greenfield), 11th August, 1877, and completed by them.

(i.) *Marton Contract*.—Tender for this work was given in by J. D. Fraser for £19,356 0s. 6d., but he failed to comply with specification in his tender, and his deposit was forfeited. The contract was let to the next lowest tenderer, C. Stewart, for £19,957 11s. 11d., and duly completed by him.

#### *Further Extract from Alexander Brogden's Letter.*

"The Deborah Bay contract was the subject of public notoriety, and a large sum had to be added to the accepted tender."

(j.) *Deborah Bay Contract*.—Let to McKenzie and Co. Only portion of Deborah Bay tunnel was to be lined with brick in the original contract, but it was found that a great deal more brick-lining was required. The original contract was determined, and a fresh contract entered into with McKenzie and Co. to complete the works of the Deborah Bay contract. The further work of lining the tunnel was made an extra to the contract. The contractors, by agreement, received a bonus of £2,500 for completing works within contract time.

The tenders for the original contract (including Messrs. Brogden's) did not include the extra work for the tunnel.

Public Works Department, 13th August, 1881.

W. A. THOMAS,  
Accountant, Public Works.

\* The statement on page 47 was referred to the Public Works Accountant, and returned lettered A to I inclusive with the following memorandum.



## STATEMENT of RECEIPTS on Account of PROMISSORY NOTES and BALANCES of NOTES held by the IMMIGRATION OFFICERS on 30th June, 1881.

Receipts.	Year 1872-73.	Year 1873-74.	Year 1874-75.	Year 1875-76.	Year 1876-77.	Year 1877-78.	Year 1878-79.	9 Months 1879-80.	Year 1880-81.	Quarter 1881-82.	Total.
Auckland	£ s. d. 85 10 0	£ s. d. 73 10 0	£ s. d. 22 11 0	£ s. d. 6 0 0	£ s. d. ...	£ s. d. 19 0 0	£ s. d. 47 6 0	£ s. d. 85 8 10	£ s. d. 36 8 6	£ s. d. ...	£ s. d. 375 14 4
Taranaki	...	39 0 0	100 18 9	45 3 6	15 0 0	...	41 12 6	26 8 9	1 7 0	...	269 10 6
Wellington	99 0 6	767 9 9	576 13 6	256 18 10	70 1 7	109 12 2	68 6 0	5 5 0	26 3 5	...	1,979 10 9
Hawke's Bay	...	651 9 6	630 10 0	164 10 0	155 13 0	241 3 0	87 1 0	40 19 3	14 6 6	2 0 0	1,987 12 3
Nelson	...	...	43 16 9	43 6 9	3 6 0	...	38 11 6	15 1 0	...	...	144 2 0
Marlborough	...	28 0 0	8 0 0	15 10 0	2 0 0	...	9 17 6	5 10 0	12 10 0	...	81 7 6
Canterbury	565 18 0	658 17 0	176 6 1	679 16 8	1,181 13 2	1,123 12 7	977 8 11	289 2 0	420 17 10	46 0 0	6,119 12 3
Westland	3 0 0	22 15 0	18 12 0	16 5 0	2 2 6	...	...	...	1 0 0	...	63 14 6
Otago	50 1 0	134 10 0	167 10 6	104 15 0	211 9 9	268 15 0	101 0 2	75 0 0	254 3 6	21 0 0	1,388 4 11
London	...	...	...	2 10 0	...	...	...	...	...	...	2 10 0
Totals	803 9 6	2,375 11 3	1,744 18 7	1,334 15 9	1,641 6 0	1,762 2 9	1,371 3 7	542 14 10	766 16 9	69 0 0	12,411 19 0

## BALANCES representing the amount of the NOTES held by Immigration Officers on 30th June, 1881.

	£	s.	d.
Auckland	...	...	...
Taranaki	...	...	...
Wellington	...	...	...
Hawke's Bay	...	...	...
Nelson	...	...	...
Marlborough	...	...	...
Canterbury	8,035	1	6
Westland	774	14	1
Otago	6,319	9	9
Hawke's Bay	6,518	4	5
Nelson	552	17	9
Marlborough	276	17	0
Canterbury	12,928	17	7*
Westland	121	11	4
Otago	12,017	17	1
Hawke's Bay	...	...	...
Nelson	...	...	...
Marlborough	...	...	...
Totals	£47,545	10	6

\* Includes balances of provincial notes, £225 9s. 6d.

3rd August, 1881.

JAMES C. GAVIN,  
Secretary to the Treasury

STATEMENT A.  
PARTICULARS OF IMMIGRANTS IMPORTED BY MESSRS. JOHN BROGDEN and SONS.

Ships.	Date of Sailing.	Date of Arrival.	Port of Arrival.	Where Immigrants were Sent to.	No. of State Adults.	Amount of Promissory Notes.	Total Recoveries on Promissory Notes.	Amount of Passages at £10 each.	Recoveries on £10 Passages in Excess of Outfit.	Loss on £10 Passages.	Percentage of Recoveries on £10 Passages.	No. of Men who Paid in full.	Cost of Transhipment in the Colony.
Schiehallion ...	1872. April 13	1872. July 9	Wellington	Pickton ...	123½	£ s. d. 2,135 9 1	£ s. d. 712 5 8	£ 1,235	£ 194	£ 1,041	Per cent. 15·70	9	£ s. d. 91 7 0
Halcyone ...	" 20	" 27	"	Wellington	51½	912 3 4	285 16 8	5·5	100	415	19·41	4	"
City of Auckland	May 31	Aug. 4	Auckland	Auckland	212	4,240 17 9	770 6 7	2,100	162	1,938	7·71	7	"
Ballarat ...	June 13	Sept. 15	Napier ...	Napier ...	17½	356 16 0	71 14 6	175	...	175	...	...	"
Bebington ...	" 28	Oct. 25	Wellington	{ Pickton { Bluff ...	150	3,273 9 10	339 6 1	1,495	39	1,456	2·61	2	244 2 6
Lady Jocelyn ...	July 31	Nov. 11	Lyttelton	Bluff ...	52	1,181 7 10	26 7 4	520	...	510	...	...	81 15 0
Christian McAusland ...	Sept. 5	Dec. 5	Port Chalmers	Dunedin	210½	4,277 11 8	190 2 7	2,015	41	1,974	2·03	...	"
Chile ...	" 12	" 28	Napier ...	{ Napier { Wellington	155	3,198 7 9	1,204 1 6	1,470	315	1,155	21·42	13	34 5 0
Jessie Readman ...	" 22	" 15	Wellington	Wellington	182*	3,831 12 8	388 3 8	1,735	69	1,666	3·97	2	"
Zealandia ...	Oct. 5	" 28	Bluff ...	Bluff ...	185	3,967 3 5	134 3 8	1,840	...	1,840	...	...	"
Crusader ...	" 10	1873. Jan. 5	Lyttelton	Dunedin	19	385 16 9	3 8 6	180	...	180	...	...	"
Charlotte Gladstone ...	Nov. 4	Feb. 16	Port Chalmers	"	224	5,139 8 0	210 0 4	2,240	...	2,240	...	...	"
Forfarshire ...	" 12	March 2	Wellington	Oamaru	189½	4,018 11 3	552 11 1	1,660	120	1,540	7·22	4	356 17 6
Durham ...	" 29	April 4	Auckland	Auckland	7	159 18 8	2 17 0	70	...	70	...	...	"
Lutterworth ...	Dec. 23	" 5	Port Chalmers	{ Dunedin { Oamaru	99	2,163 2 4	211 13 5	990	...	990	...	...	79 2 6
					1,877½	39,241 16 4	5,192 18 7	18,240	1,040	17,200	5·70	41	767 9 6

\* No work for these; got dispersed amongst other employers.

## STATEMENT B.

J BROGDEN and SONS, Wellington.—MONTHLY IMMIGRANT REPORT to Firm in London.

Date of Report.	Number Working for Firm.	Number Not Working for Firm.	Total.	Approximate Expenditure in New Zealand on Works.	Remarks.	Date of Report.	Number Working for Firm.	Number Not Working for Firm.	Total.	Approximate Expenditure in New Zealand on Works.	Remarks.
1873.						1874.					
April ...	236	1,055	1,291	16,000	All lines at work.	September	34	1,257	1,291	26,000	All lines at work except Hutt line.
May ...	321	970	"	19,000	"	October	25	1,266	"	17,000	"
June ...	278	1,013	"	15,000	"	November	23	1,268	"	29,000	"
July ...	219	1,072	"	25,000	"	December	14	1,277	"	23,000	"
August ...	133	1,158	"	13,000	"	1875.					
Sept. 4 ..	125	1,166	"	18,000	"	January	18	1,273	"	21,000	"
" 30 ...	86	1,205	"	13,000	"	February	13	1,278	"	28,000	"
October ...	75	1,216	"	26,000	"	March ...	11	1,280	"	23,000	"
November	77	1,214	"	17,000	"	April ...	9	1,282	"	23,000	"
December	48	1,243	"	29,000	"	May ...	7	1,284	"	19,000	"
1874.						June ...	5	1,286	"	22,000	"
January	56	1,235	"	18,000	"	July ...	4	1,287	"	19,000	"
February	46	1,245	"	21,000	"	August ...	3	1,288	"	16,000	"
March ...	50	1,241	"	22,000	"	September	3	1,288	"	23,000	"
April ...	43	1,248	"	21,000	"	October	3	1,288	"	10,000	{ Ditto, except Hutt and Napier.
May ...	33	1,258	"	29,000	"	November	2	1,289	"	10,000	
June ...	32	1,259	"	8,000	"	December	...	1,291	"	8,000	
July ...	51	1,240	"	32,000	"						
August ...	39	1,252	"	16,000	"						

## STATEMENT C.

MESSRS. JOHN BROGDEN and SONS' IMMIGRATION ACCOUNT.

	£	s.	d.	£	s.	d.		£	s.	d.	£	s.	d.
Total amount of promissory notes given to the Government under the Immigration contract for passages ...	18,240	0	0				Brought forward ...	1,854	17	11	35,500	17	5
Interest impounded by the Government ...	2,499	15	10				Law charges, expenses of collection, and other disbursements in connection with the promissory notes in the colony ...	2,253	3	2			
											4,108	1	1
Total amount impounded by Government ...	20,739	15	10				Total disbursements ...				39,608	18	6
Interest to March 28, 1874, paid in London ...	1,380	3	0				Less recoveries from immigrants on promissory notes ...				5,192	18	7
Sundry other payments to Agent-General ...	290	0	0										
Total of principal and interest, &c., received by Government ...				22,409	18	10	Approximate interest to June 30, 1881 ...				34,415	19	11
Cost of outfits and sundry other disbursements paid by the firm in London ...											12,687	0	9
Rations, &c., hospital expenses, and moving immigrants in the colony ...				3,042	2	5	Total disbursements and interest to June 30, 1881 ...				£47,103	0	8
Less repaid by Government ...				1,187	4	6							
Carried forward ...				1,854	17	11							

## STATEMENT D.

NUMBER of STATUTE ADULT IMMIGRANTS Arriving in the Colony during the Time of Messrs. BROGDEN and SONS' Immigration.

—	Introduced by		
	Government.	Brogden.	Total.
From July 9 to Dec. 28, 1872 ...	2,520½	1,339	3,859½
" January 5 to April 5, 1873	742	538½	1,280½
Totals ...	3,262½	1,877½	5,140

MILEAGE of Railway-works under Construction.

—		By Brogden.	By Others.	Total.
		Miles.	Miles.	Miles.
During 1872 ...		180	70	250
" 1873 ...		239	164	403
" 1874 ...		183	342	525
" 1875 ...		95	437	532
" 1876 ...		38	344	382

RULING RATES of WAGES per Day for Pick- and Shovel- Men, during the following Half-yearly Periods:—

—	Mataura.	Waikato.	Pieton.	Napier.	Clutha.	Oamaru.
	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.
December, 1872 ..	7 4	5 6	5 10	5 6	6 8	...
June, 1873 ...	8 0	6 0	6 3	6 0	6 10	...
December, 1873 ...	8 0	6 6	6 9	7 0	7 0	6 6
June, 1874 ...	9 0	6 6	7 11	7 6	7 10	8 0
December, 1874 ...	10 0	6 8	8 2	8 0	7 10	8 0
June, 1875 ...	10 0	7 0	8 8	8 0	8 5	8 0
Average for six half-years*	8'76	6'38	7'26	7'0	7'58	...

\* The quotations given above are arrived at by taking Messrs. Brogden and Sons' pay-sheets, and averaging the rate of wages for each six months separately.

APPORTIONMENT of the NET AMOUNT of REFUNDS, *pro rata*, between the PASSAGE-MONEY and the COST of OUTFIT, &c.

Passage-money, viz., 1,824 statute adults, at £10	£	s.	d.
	18,240	0	0
Outfits, &c., viz.,—			
Ships' kits for immigrants ..	1,791	15	0
Outfit, railway fares, dock dues, medical examination, &c.	9,619	13	9
Agency expenses, &c., in England ..	1,679	9	10
Expenses in the colony not refunded by Government	874	7	9
	£13,965	6	4
Recoveries from immigrants ..		5,192	18 7
	£	s.	d.
Less, Extra duty stamps in colony ..	75	1	10
Law charges incurred ..	735	19	8
Expenses of collection ..	1,225	0	0
		2,036	1 6
Net refunds ..	£3,156	17	1
Passage-money, proportion of net refunds .. ..	*1,788	0	0
Outfit, &c., proportion of net refunds ..	1,368	17	1
	£3,156	17	1
* NOTE.—Taking individual cases of refunds in excess of the outfit charges, the amount contributed by the immigrants towards the £10 passage-money (£18,240) is only .. ..	£1,040	0	0

APPENDIX No. 2.

Mr. JAMES BROGDEN to MESSRS. BROGDEN and SONS.

GENTLEMEN,—Wellington, 25th November, 1871.

We should disturb the labour market materially if we proceeded to make railways and draw upon the present resources of the colony in labour to a large extent, and so disorganize industries of various kinds. Holding this in view, the Government wish to limit our payment to the working navvies, for a days' labour of eight hours, to the sum of 6s. per day. Now, we find this varies in different provinces from 6s. to 10s. In the proximity of gold-mining they pay 10s. per day readily. In places where labour is not in demand it is possibly 7s. 6d. to 8s. per day. The Government prohibit the employment of Chinese labour. Hence the Government advise that one person or firm should control the labour market, and thus the idea gains currency that we should have all the public works. I have, of course, done all I could to foster this idea. Then, the Government wish us to import men, with a view to their employment on the public works, and to their future settlement in the colony; hence, they desired me to consider an immigration scheme in connection with our works. I decline to take any risk or responsibility without your approval and consideration. I have, therefore, arranged to refer you to Dr. Featherston on this subject. I shall mention this more in detail presently, and, meantime, refer back to the negotiations for works.

A lengthy agreement was submitted as to our importing immigrants: the substance of it was that we should receive from the Government £15 per adult for all persons imported; that we should import 2,000 men, who would possibly have some 4,000 women and children attached and connected with them; that promissory notes should be given for the passage-money, repayable in equal sums at two, three, and five years to us by deduction from wages, and have twenty acres of settlement (fair or good land) land allotted, for which they would have to pay £1 per acre, in the course of two, three, and five years, with the power to take up an equal amount of land if they had paid for the first lot in one year after arrival. I found that much better terms were being offered than those proposed to us in the case of immigrants coming independently and applying to the Agent-General in England. The Agent-General has discretion to pay the whole passage-money, and give the right to land above mentioned, or he may insist on £5 of the £15 passage-money being paid by promissory note of the immigrant. I find that about 50 per cent. of the immigrants after arrival disappear, and leave their engagements unfulfilled, although they are promised, in addition, four days a week employment at 5s. on public works, roads, &c., for one year. I thought we could have worked the matter out; that the Government would take the risk, as they impose a limitation as to the price to be paid for labour. I therefore thought, as we shall have to get labour imported, it would be better that you arrange with Dr. Featherston a means of their being sent out under the general terms the Agent-General in England is empowered to act upon, at least until you hear further from us here. I do not intend we should run risks, but I see we shall require men. I shall be anxious to hear what you have done or proposed with Dr. Featherston.

I would be glad to have information as to the operations

of Thomson, Bonar, and others, who are conducting schemes of this kind, and information as to their progress. We should get the Government Agent-General to pay the full passage-money of the men we require. Remember also that, in the case of promissory notes given, a particular form is required: these are to be indorsed by the Government, and drawn on a private firm, so as to be legal and reclaimable in New Zealand. Dr. Featherston has some experience in this, as in Wellington Province alone he was party to a loss occasioned to the extent of £40,000, on account of persons who repudiated their promissory notes or who absconded. We propose to get—

2,000 adult males, at £15 passage-money	..	..	£30,000
3,000 others (wives and families), at £15 passage-money			45,000
2,000 children, at £7 10s.	..	...	7,500
<hr/>			
6,000			£82,000

—the item to be paid by the Government, but promissory notes to be given by the immigrants, and we were to collect the moneys from the men. We should be paid the total sum, and collect in two, three, and five years, but we could not agree as to the Government taking the risk of absconding persons—we to pay 6s. per day, eight hours; deaths to be covered by insurance by the New Zealand Government. So that the matter remains for you to act on until we feel assured, by the terms of the Government offer, that we can submit a proper offer here for the above operation.

Messrs. John Brogden and Sons.

JAMES BROGDEN.

### APPENDIX No. 3.

The AGENT-GENERAL to the Hon. the COLONIAL SECRETARY

7, Westminster Chambers, Victoria Street, Westminster, S.W.,  
10th July, 1873.

SIR,—

I have the honor to inform you that I had yesterday a conference with the Messrs. Brogden, at which the Hon. Mr. Hall was present. Mr. Hall, in the discussion, detailed fully the negotiations which had taken place in the colony between the Government and Mr. James Brogden. Messrs. Brogden repeated the statements made in their letter of the 12th June, which was forwarded to you on that date, and contended that they had been deceived both by the Government and myself; that, owing to the delay of the Government in giving them contracts, they had no work to give the emigrants on their arrival, that many of them consequently left their service; and that I had led them to believe that there would be little or no difficulty in obtaining payment of the promissory notes given to them by the emigrants, whereas their agents in the colony had informed them that only a very trifling amount could be recovered. Under these circumstances they maintained that they were entitled to be reimbursed by the Government for the whole of their outlay on emigration.

It was pointed out to them that Mr. James Brogden had commenced the negotiations in the colony, and had been on the point of signing a contract, when at the last moment he declined, on the ground that he preferred that the terms of the contract should be arranged between his brothers and myself; that, in order that they might be secured against loss, I agreed that they should take a promissory note of £15 from each adult, they giving to the Government the promissory note of £10 per adult; that this allowance of 33 per cent. might be deemed ample to secure them against loss, especially as these emigrants went out under engagement with them, and on the distinct understanding that a certain amount should be deducted each week from their wages towards payment of their promissory notes; that the emigrants, consisting principally of navvies, were required for the public works, they were contracting for, and were not such as the Government would have selected; that the vast majority of them were single men, who, under the regulations, if they had gone out as Government emigrants, would have been obliged to pay at least £4 in cash towards the cost of their passage, &c.

The discussion, which lasted two hours, ended without any arrangement which I could recommend for adoption by the Government being proposed by them.

I am free, however, to admit that, if there is any probability of Messrs. Brogden losing nearly the whole of their advances from causes not in any way of their own creating, it is not unreasonable for them to expect some concession on the part of the Government.

I have to-day received from them the letter which I enclose, and am inclined to think that the proposal it contains is entitled to the favourable consideration of the Government.

It will be seen that the amount of the promissory notes given by the emigrants to Messrs. Brogden is £39,874 13s. 4d.; that the sum paid by Messrs. Brogden on account of the emigrants is £11,411 8s. 9d.; and that the Government hold Messrs. Brogden's promissory notes to the amount of £18,240.

To meet Messrs. Brogden's debt to the Government, and to reimburse them these advances to the emigrants, a sum of £29,651 8s. 9d. would have to be recovered from the emigrants.

If, as I understand, 525 of the emigrants are employed by the Messrs. Brogden, it appears to me that there ought not to be any great difficulty in recovering this amount, especially if the Government co-operated with Messrs. Brogden. But, of course, the Government are alone able to form a sound opinion on the matter.

I have, &c.,

I. E. FEATHERSTON,  
Agent-General.

The Hon. the Colonial Secretary, Wellington, New Zealand.

**ARTICLES OF AGREEMENT** entered into this     day of     187 ,  
between Sir GEORGE FERGUSON BOWEN, Knight Grand Cross of the Most Distinguished  
Order of Saint Michael and Saint George, Governor and Commander-in-Chief in and  
over Her Majesty's Colony of New Zealand and its Dependencies, of the one part, and  
**ALEXANDER BROGDEN, M.P., HENRY BROGDEN, and JAMES BROGDEN,** all of Queen's  
Square, in the City of Westminster, Railway Contractors, and hereinafter referred to as  
“the Contractors,” of the other part.

5. Contemporaneously with each such payment as aforesaid to the Contractors by the Agent-General, the Contractors shall and will deliver to the Agent-General, on behalf of the Colony of New Zealand, their promissory notes, of such tenor as hereinafter provided, for the amount of the sum so paid to the Contractors, together with simple interest at £6 per centum per annum; that is to say, one joint and several promissory note of the Contractors for one-fourth part of the amount so paid to the Contractors, payable at \_\_\_\_\_, to Isaac Earl Featherston, Agent-General for New Zealand, or his order, at two years after the date of such payment to the Contractors by the Agent-General as aforesaid, together with interest on the said fourth part of the said sum at the rate of £6 per centum per annum from the date of such payment to the Contractors as aforesaid, until payment of the said promissory note by the Contractors; and also one other joint and several promissory note of the Contractors for one other fourth part of the amount so paid to the Contractors as aforesaid, payable at \_\_\_\_\_, to Isaac Earl Featherston, Agent-General of New Zealand, or his order, at three years after the date of such payment to the Contractors as aforesaid, with interest on the said fourth part of the said sum at the rate of £6 per centum per annum from the date of such payment to the Contractors as aforesaid, until payment of the said promissory note by the Contractors; and also one other joint and several promissory note of the Contractors for one other fourth part of the amount so paid to the Contractors, payable at \_\_\_\_\_, to Isaac Earl Featherston, Agent-General for New Zealand, or his order, at four years after the date of such payment to the Contractors as aforesaid, together with interest on the said fourth part of the said sum at the rate of £6 per centum per annum from the date of such payment to the Contractors as aforesaid, until payment of the said promissory note by the Contractors; and also one other joint and several promissory note of the Contractors for one other fourth part of the amount so paid to the Contractors as aforesaid, payable at \_\_\_\_\_, to Isaac Earl Featherston, Agent-General for New Zealand, or his order, at five years after the date of such payment to the Contractors as aforesaid, together with interest on the said fourth part of the said sum at the rate of £6 per centum per annum from the date of such payment to the Contractors as aforesaid, until payment of the said promissory note by the Contractors.

6. That the Contractors consent and agree that all moneys from time to time due and payable from them under or in respect of the said promissory notes may be set off against any moneys for the time being due to the Contractors by Her Majesty the Queen, or the Governor of New Zealand, or the Government of New Zealand, under or in respect of any contract entered into, in the name of the Queen or the Governor of New Zealand, by the authority of the local Government of New Zealand.

7 That the Contractors will convey the said immigrants to and land them at such ports in New Zealand as the Agent-General shall approve of; that is to say, the Agent-General shall have power to fix how many of such immigrants shall from time to time be conveyed to each of the several ports of Auckland, Wellington, Marlborough, Otago, and ; and the Contractors will conform to the decision of the Agent-General in the matter.

8. The Contractors will, so far as they are able, promote the settlement of the said immigrants in New Zealand, and to that end will purchase from the Crown such of the waste lands of the Crown in New Zealand as may be agreed between the Contractors and the Minister for Public Works in New Zealand for the time being, not exceeding acres for every of such immigrants, and will, so far as they are able, provide for the settlement of such immigrants on the land so purchased.

IMMIGRATION CONTRACT entered into with the Messrs. BROGDEN, dated the 27th day of June, 1872.

ARTICLES OF AGREEMENT entered into this twenty-seventh day of June, one thousand eight hundred and seventy-two, between Sir GEORGE FERGUSON BOWEN, Knight Grand Cross of the Most Distinguished Order of Saint Michael and Saint George, Governor and Commander-in-Chief in and over the Colony of New Zealand and its Dependencies (hereinafter called "the Governor"), for and on behalf of the said colony, by ISAAC EARL FEATHERSTON, of No. 7, Westminster Chambers, in the City of Westminster, Esquire, the Agent-General of New Zealand, of the one part; and ALEXANDER BROGDEN, M.P., HENRY BROGDEN, and JAMES BROGDEN, all of No. 4, Queen's Square, in the City of Westminster, and carrying on business under the style or firm of John Brogden and Sons, as Railway and General Contractors (hereinafter called "the Contractors"), of the other part.

WHEREAS by "The Immigration and Public Works Act, 1870," amended by "The Immigration and Public Works Act Amendment Act, 1871," it is, amongst other things, provided that the Governor may enter into such contracts as may seem proper with any person or persons within or without New Zealand, for the selection, conveyance to, and settlement in New Zealand of such classes of immigrants and in such number as the Governor shall think fit: And by the same Act the Governor was authorized to appoint some person to be Agent-General of New Zealand in the United Kingdom of Great Britain and Ireland, whose duty it should be to do all things in relation to New Zealand that the Governor in Council might direct: And whereas, by virtue of the authority contained in the said recited Act, the Governor has appointed the said Isaac Earl Featherston as such Agent-General, and the Governor in Council has duly authorized and empowered him to enter into such contracts as he might think fit, with a view to carry into effect the provisions of the said recited Acts with reference to immigration; and, in part exercise of such authority, the Agent-General (which expression shall, in the construction of these presents, mean the Agent-General for the time being for New Zealand, appointed under section 45 of "The Immigration and Public Works Act, 1870") has entered into arrangements with Messrs. Shaw, Saville, and Company, of Leadenhall Street, London, for the conveyance of such emigrants from London or Plymouth to New Zealand as the Agent-General shall require to be conveyed during twelve months ending the seventh day of March, one thousand eight hundred and seventy-three, on certain terms and conditions mentioned in an agreement made between the parties, and dated the seventh day of March, one thousand eight hundred and seventy-two, hereinafter referred to by the expression "the said agreement," a copy whereof has been handed to the Contractors: And whereas the Governor and the Contractors have entered into arrangements for the execution by the Contractors, in New Zealand, of railway and other works, in reliance upon which being carried out, and with a view to the execution of which works, the Contractors have selected and sent out to the said colony men suitable to be employed on the said works, with their families, and are desirous of sending out other such men, and have applied to the Agent-General on behalf of the Governor to co-operate with them to effect such object on the terms and conditions hereinafter mentioned, which the Agent-General on such behalf has agreed to do: Now these presents witnesseth that, for the considerations herein appearing, the Governor (so far as he lawfully can or may, under or by virtue of the said recited Acts or otherwise, but not further or otherwise), for himself and his successors (all of whom are hereinafter included in the expression "the Governor"), so far as the agreements hereinafter contained are to be observed or performed on his or their parts respectively, doth hereby agree with the Contractors, their executors, administrators, and assigns (all of whom are hereinafter included in the expression "the Contractors"), and the Contractors, and each of them, for themselves and himself, and their respective executors and administrators, so far as the agreements hereinafter contained are to be observed and performed on their parts, do and doth hereby agree with the Governor, his successors and assigns, in manner following, that is to say,—

1. In addition to the emigrants so selected and sent out by the Contractors as aforesaid to New Zealand, the Contractors will, with all convenient speed, with a view to the execution of such works as aforesaid, select other emigrants to proceed to New Zealand so as to make up, with those already sent out by them, such a number (not exceeding, in the whole, two thousand) of able-bodied men of not less than twenty-one years of age, besides wives and children, as the Agent-General shall from time to time require; and will furnish to the Agent-General the names and ages of all such emigrants, and submit them and their persons to such examination by duly-qualified men as the Agent-General shall from time to time require; and these presents shall only apply to such emigrants and proposed emigrants as the Agent-General has already approved of and shall hereafter approve of, which emigrants are hereinafter referred to as "the said emigrants."



2. The expression "adults" shall, for the purposes of these presents, mean a person of the age of twelve years or upwards, or two persons above one year of age and under twelve years of age, the ages being taken at the time of embarkation, and children of one year of age not being taken into account.

3. When and so soon as there shall be, in the opinion of the Agent-General, from time to time, a number of the said emigrants sufficient to fill a ship and ready to embark, the Agent-General shall forthwith, from time to time, give the requisite notice under the said agreement, and use his best endeavours, consistently with the said agreement, to cause such emigrants to be conveyed to such port or ports in New Zealand as the Contractors may, in writing, request, and the Governor will make all payments payable under the said agreement in respect of the conveyance of such emigrants: Provided that if any of the said emigrants whose names shall have been furnished by the Contractors to the Agent-General for embarkation, and who shall have been included in the list prescribed by the 32nd article of the said agreement, shall fail to embark, the Contractors will, upon the request of the Agent-General on behalf of the Governor, repay to the Agent-General all sum and sums of money from time to time paid by the Agent-General on such behalf under the said 32nd article of the said agreement, for the emigrants who have so failed respectively to embark: Provided also that the Governor shall not be required to pay the cost of or provide a conveyance for (including those already sent) any greater number than two thousand able-bodied men of not less than twenty-one years of age, or any greater number of the said emigrants in the whole than six thousand adults.

4. The Governor will, on the arrival of the said emigrants in New Zealand, cause them to be received and dealt with in as beneficial a manner as other emigrants are received and dealt with on behalf of the Governor on arrival in the colony.

5. With a view to a part repayment of the moneys so to be paid or expended by or on behalf of the Governor, the Contractors will repay to the Governor the sum of £10 in respect of every adult of the said immigrants who has sailed, or who hereafter shall be embarked as aforesaid; such repayment to be secured, with interest, by the joint and several promissory notes of the Contractors, in the form given and so signed as mentioned in the Schedule hereto; such promissory notes in respect of those emigrants who have sailed to be handed over to the Agent-General in exchange for the sum to be so paid to the Contractors as aforesaid; and the promissory notes in respect of those to be hereafter conveyed to be handed over to the Agent-General from time to time, upon request, immediately after such ship has, according to article 14 of the said agreement, proceeded to her destination. And in case the Governor or the Agent-General shall, under the 30th article of the said agreement, be repaid the half of the passage-money payable by him thereunder in respect of any of the said emigrants, an allowance shall be made by the Governor to the Contractors at the rate of £5 for each adult emigrant in respect of whom such repayment shall be made to the Governor or the Agent-General; and the amount of such allowance shall, when ascertained, be written off by indorsement on and be taken as part payment distributively of the instalments of the promissory notes given in respect of the shipment upon which such allowance shall arise. And in all cases in which any such repayment as aforesaid of half the passage-money shall become due to the Governor or Agent-General under such agreement, the Governor or the Agent-General shall demand and use his best endeavours to recover the same.

6. The Governor may deduct the amounts which have from time to time become due and payable by the Contractors upon or by virtue and according to the tenor of the said promissory notes, from any moneys payable by the Governor to the Contractors in respect of any railway or other works executed by them; and there shall be indorsed upon any contract for the time being in force between the Governor and the Contractors with reference to such works, and upon the duplicate thereof in the hands of the Contractors, a memorandum to the following effect, that is to say,—

#### *Memorandum.*

By an agreement made between the Governor and the Contractors, dated the 27th June, 1872, the Governor advances the passage-money, at £10 per adult, of immigrants into New Zealand, not exceeding 6,000 in number, and takes promissory notes of the Contractors for each advance, payable by four equal instalments of two, three, four, and five years from the date of each advance, with interest at 6 per cent. per annum in the meantime, and with liberty to the Contractors to pay the principal and interest earlier if they please, and with power to the Governor to deduct the amounts which have from time to time become due and payable upon such promissory notes, and according to their tenor, from any moneys payable by the Governor to the Contractors in respect of any railway or other works executed by them under the within contract.

7 The Contractors may take from or for and in respect of every adult of the said immigrants a sum not exceeding £16 in payment of that for which payment is hereby agreed to be made by the Contractors to the Governor as aforesaid, and to cover the risk to the Contractors of the non-payment of such a sum; but they shall not, under any circumstances, take from or for or in respect of any adult of the said immigrants more than that amount in respect of passage-money.

8. If the Contractors desire to assure with the Life Assurance Office of the Government of New Zealand all the said emigrants embarked in all or any of the ships, they are to be at liberty to do so on the same terms on which emigrants sent out by the Honorable Colonel Feilding may be insured under the arrangements made between him and the Governor, a copy of the terms of which arrangement has been handed to the Contractors.

9. The Governor, by being a party to these presents, and the Agent-General, by signing the same on his behalf, shall not incur any personal responsibility or liability whatsoever.

In witness whereof the Agent-General has hereto, as agent for and on behalf of the Governor, set his hand, and the Contractors have respectively set their hands, the day and year first above written.

## THE SCHEDULE ABOVE REFERRED TO.

£            The ship “            ,” London.  
 WE jointly and severally promise to pay to Her Majesty the Queen and her successors, on behalf of the Colony of New Zealand, the sum of            pounds, by four equal yearly instalments of            pounds each, at the expiration of two, three, four, and five years respectively, from the date hereof, with interest in the meantime at the rate of 6 per cent. per annum on so much thereof as shall for the time being remain unpaid, such interest to be paid half-yearly on every            day            of            and            day of            ; the first of such half-yearly payments to be made on the first of the said days happening after the date hereof; and in case default shall be made in the payment of either of the said yearly instalments or of the said interest for one calendar month after the same shall respectively become due and payable, then we jointly and severally promise to pay, immediately upon demand, the whole of the moneys and interest hereby secured. But we are to be at liberty to pay the whole or any part of the amount secured by this promissory note at any earlier time or times than the due dates of the instalments, if we think proper.

Payable at the offices in London for the time being of the Agent-General of New Zealand, or, if there be no such offices, then at the Bank of England.

JOHN BROGDEN AND SONS.  
 ALEXANDER BROGDEN  
 HENRY BROGDEN.  
 JAMES BROGDEN.

On behalf of the Governor,

I. E. FEATHERSTON,  
 Agent-General.  
 JOHN BROGDEN AND SONS.  
 ALEXANDER BROGDEN.  
 HENRY BROGDEN.

Witness to the signatures of Isaac Earl Featherston, John Brogden and Sons Alexander Brogden, and Henry Brogden—

JAMES MACKRELL,  
 Solicitor, 21, Cannon Street, London.  
 RENE AND TABOURDIN,  
 Solicitors, 1, Victoria Street, Westminster.

JAMES BROGDEN \*

Witness to the signature of James Brogden—

\* The signature “James Brogden” is only written in pencil in the agreement to show where the signature is to be inserted.

