

No. 8.

MEMORANDUM for the AGENT-GENERAL, London.

(No. 56, 1871.)

Public Works Office, Wellington, 25th November, 1871.

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, and which contract is referred to in a memorandum, No. 54 of even date herewith, has not been arranged.

The terms which had been agreed upon with Mr. James Brogden were, that the firm should select about 2,000 able-bodied men, but that the families of the married men of the 2,000 being included, the total number of emigrants to be sent out should not exceed 6,000 persons; that they should be subject to the approval of the Agent-General, who should pay the passage money and should receive from Messrs. Brogden and Sons the promissory notes of the firm for the repayment of the total amount, with 6 per cent. interest added, in four equal sums, at two, three, four, and five years; Messrs. Brogden to take from the Government land upon which to settle the immigrants, which land should be supplied to them upon easy terms of payment.

At the last moment, however, Mr. Brogden declined to complete the arrangement, on the ground that the terms proposed were not so favourable as he believed his firm would be able to secure by dealing with you at home. It has, consequently, been agreed that the whole matter shall be remitted to England, and that you should endeavour to make an arrangement with the members of the firm of Messrs. Brogden and Sons now in England.

You have already been advised that the Government consider it would be a fair arrangement with emigrants, to take from them promissory notes for payment of their passage money extending over five years, the male adults being made responsible in the case of families; but at the same time, the Government have given you full discretion to do what you consider most advisable.

It is possible that you may determine to send out emigrants upon terms easier to themselves and more costly to the Colony than those before stated. It should, however, be borne in mind, in arranging with Messrs. Brogden and Sons, that the emigrants sent out by that firm will be, in part at least, persons whom the firm will require for the purpose of carrying on their works, and that, therefore, the firm as well as the Colony will be benefited by the introduction of the immigrants. The Government do not object that this should be so, but it must be remembered that, if the amount of passage money payable was reduced under an arrangement with Messrs. Brogden and Sons, there would be no security that a corresponding reduction would be made to the immigrants themselves.

Indeed, it might be anticipated that in order to cover their risk consequent upon giving their own promissory notes for repayment, Messrs. Brogden and Sons would make, as against the immigrants, some considerable charge in the nature of insurance. It could not, however, be permitted by the Government that immigrants should be able to say in the Colony that they had paid the full amount of their passage money to Messrs. Brogden and Sons, while the Government were to receive from those gentlemen only a portion of the amount in each case. On the other hand, as has been said, Messrs. Brogden and Sons could not be expected to incur the risk of giving their own promissory notes for repayment of the money, without making some charge to cover that risk. Of course, if the promissory notes were for the full amount of the passage money, and Messrs. Brogden and Sons chose, in order to cover their risk, to make some charge against the emigrants, the Government would not be affected thereby, because it would be fairly a matter of bargain between the emigrants and the firm.

These points have been stated in order that you may be enabled to realize what has been the difficulty in the way of concluding an arrangement with Mr. James Brogden, and with a view of aiding you in making such arrangements in England as you may, under all the circumstances, consider best.

The Government are very anxious that the emigrants whom it is contemplated to send should come to the Colony, supposing, as Mr. James Brogden has led the Government to believe, they are likely to prove of a superior class. On the other hand, the Government are not willing that any arrangement should be concluded, of which in your opinion the Assembly would disapprove.

The Government desire that in any agreement made by you with the Messrs. Brogden in England, there should be included a covenant binding the firm to purchase from the Government land upon which to settle a portion, if not all, of the immigrants. While the conditions of purchase should be easy, there should also be included in the agreement a condition that title shall not be given to any portion of the land except upon proof that such land has been settled on.

When it was found that an arrangement could not be completed with Mr. James Brogden upon the terms stated in a former part of this memorandum, the Government made to him a proposal—that for every pound sterling for which the firm gave their promissory notes as for repayment of passage money for emigrants, the Government should give to the firm a proportion in value of land on such land being settled. For example: supposing the firm give promissory notes for £10,000, the Government should give to the firm, for the purpose of settling emigrants upon and not otherwise, £5,000 worth of land at upset price. It is possible that you may consider such an arrangement advantageous to the Colony, and that the Messrs. Brogden in England may be disposed to enter into it. If you should, however, be of opinion that the Government can obtain suitable emigrants simply by payment of passage money and receiving in exchange promissory notes for the amount, it would not be right that Messrs. Brogden and Sons should be placed upon a more favourable footing in the matter than the emigrants themselves. Indeed, as will be gathered from the general tenor of this memorandum, the Government are of opinion that the tendency should rather be in the opposite direction.

A credit has been arranged by the Treasury in your favour for £37,500 on account of the immigrants which Messrs. Brogden will eventually send out.

W. GISBORNE.

P.S.—* * * The Government offered Mr. Brogden to take off ten 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