

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.