

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