

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.