

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