

WEDNESDAY, 27TH JULY, 1881.

Hon. G. M. WATERHOUSE, examined.

477 *Mr. Travers.*] I believe you were Premier of New Zealand from October, 1871, to March 1873?—I was.

488. At that time I believe the Public Works and Immigration Scheme propounded by Sir Julius Vogel was in full operation?—Yes, it was just getting into full operation.

479. I see by the Blue-books that, on the 23rd November, 1872, you wrote a memorandum to the Agent-General. Have you any recollection of that memorandum?—I have a general recollection of it.

480. At that time, did the Government consider the question of immigration a very pressing one? Undoubtedly they did, as the memorandum shows.

481. I believe that during the time you were Premier there were some negotiations between Messrs. Brogden and the Government with reference to their being relieved from the consequences of the contract that had been entered into with them?—Yes, there were some such negotiations.

482. And I believe that you transmitted to the Agent-General the correspondence that had taken place between Mr. James Brogden and the Government with reference to it for the Agent-General's guidance?—Yes.

483. Was it not the intention of the Government at that time that the question of relieving Messrs. Brogden was to be referred to the Agent-General, and reported on by him?—I think the correspondence shows what the object of the memorandum was. The memorandum says, "The Government have invited the Messrs. Brogden to place themselves in immediate communication with you, and have promised to favourably consider any suggestion or recommendation you may make on the subject." The correspondence shows the subject on which the Government had promised to consider the suggestion of the Agent-General.

484. It was the intention of the Government at that time to favour any suggestion that was made with reference to the contract?—No; the letter states distinctly what the object was.

485. But that would involve the repayment of the advances, would it not?—I can, of course, only speak on this subject from a very indistinct remembrance of what took place. I think it was on the arrival of the first vessel with Messrs. Brogden's immigrants that Mr. James Brogden discovered that the anticipations he entertained with regard to getting back his money for the promissory notes were incorrect. Mr. O'Rorke was then Minister for Immigration, and the matter was referred to him. He made a memorandum upon the subject on which the Cabinet minute was based. That minute appears to me distinctly to show what the action of the Government has been, and it does not appear to me to bear out your inference that the relief from liabilities was referred to the Agent-General, because the despatch says, "I have to express the regret of the Government that, after the gravest consideration, they find themselves unable to meet your views so far as to relieve the firm from their liabilities in connection with the conduct of immigration under the agreement referred to." It then goes on to say that any recommended modification of the agreement so far as concerned future operations would be favourably considered.

486. But the main subject of Messrs. Brogden's application was relief from loss, was it not?—I cannot say that it was. I was not so fully acquainted with the circumstances of the case as I would have been had I been connected with the negotiations from the first.

487. Have you seen a letter which was sent by the Agent-General to the Government, and which is dated 21st July, 1873?—Yes.

488. Do you not think it is clear from that letter that Messrs. Brogden were never intended to be losers by the transaction?—When Mr. Hall left the colony there was an impression on the part of the Government that he would communicate with the Agent-General in connection with the general interests of the colony, and it is just possible that he may have considered that matter was remitted to him under the general covering words.

489. It seems evident, from this letter which Mr. O'Rorke sent to Mr. Brogden, that there had been a request on the part of the latter that his firm should be relieved from existing obligations, and recouped for any losses they might have sustained?—Yes.

490. Does it not seem from this letter that special and favourable consideration was to be given to the matter when the Agent-General had sent in his report on the subject?—I do not think so.

491. Can you say whether any further negotiations were entered into by the Government with Mr. James Brogden?—I cannot say. Mr. O'Rorke would have everything to do with any negotiations that were being carried on.

492. *Mr. Bell.*] I understand you to say that the Government expressly refused to refer to the Agent-General any question of repayment to the Messrs. Brogden of the money they had spent in sending immigrants to the colony?—I say that they decided that Messrs. Brogden were not entitled to any further payment for services they had rendered.

493. Can you recollect whether the question was pressed on the Government of the day by Mr. James Brogden?—I have a very shady recollection of the matter, but I think that was the case.

494. At that time—I mean about the 22nd November—Messrs. Brogden had practically ceased to send out immigrants?—I am not sure that we knew the immigration had been stopped.

495. Was any distinction drawn at that time between the actual outlay and the loss by Messrs. Brogden?—I cannot recollect exactly. I know the two things were mixed up—I mean the loss that had accrued and the liability that was to be incurred. Necessarily my recollection is of a very hazy character after this lapse of time.

496. *The Chairman.*] In this letter of Mr. O'Rorke's, which was written in November, 1872, I understand there are two distinct applications—namely, first to be recouped for all past losses; and, secondly, to be relieved of all future obligations. I take it that the Government refused the first?—Yes, I think so.

497. And up to that time large liabilities had been incurred by Messrs. Brogden under the contract of June, 1872?—Yes.