

498. With respect to the second part of the letter, where you state that you are willing to give favourable consideration to the question of relieving them from future liabilities, why did not the Government at once relieve them if it appeared to the Government then that their losses would be heavy?—You are asking me a question that you would naturally think I was in a position to answer, but you must remember that this matter occurred nearly nine years ago, and it is impossible for me to recollect the circumstances. I can recollect that there was a difference of opinion in the Cabinet, and this led to a kind of compromise, which is a common thing, and which took the shape of the Cabinet decision upon which this letter is based.

499. Are we to understand that the Government had entered into a contract that would benefit the colony materially, and that they would not relinquish their claim on the Messrs. Brogden?—They express their willingness to do so in the letter, but, at the same time, they decline to take any action until they hear from the Agent-General.

500. The Government, at the time, was not advised that the contract entered into with Messrs. Brogden was *ultra vires*?—I am not aware that the Government had any knowledge that the contract was *ultra vires*.

501. Then, the fact that the contract was *ultra vires* was a dead letter to the Government?—I am of opinion that if the Government had been aware of the fact it could not have escaped my memory.

502. *Hon. E. Richardson.*] In the matter of contracts, do you remember what allowance the Cabinet made in dealing with Messrs. Brogden's tenders for works?—The Cabinet made no allowance. The allowance was specified in the agreement, and the Government were bound by that agreement. I think that I know the circumstance to which you are referring, and it was alluded to at a Cabinet meeting, and it appears to have dwelt on your mind as it dwelt on my own, but the matter was mentioned only with a view to influence the decision of the Cabinet at the time. I do not know how far it would be justifiable to state more as to the statements that were made in Cabinet in reference to it.

503. *Mr. Murray.*] I understand that Messrs. Brogden were to have an allowance of £5 for each immigrant, to cover any risk they might run in regard to the recovery of the amounts of the promissory notes from the immigrants. Now, in the event of Messrs. Brogden having recovered all the money from the immigrants, and made a profit out of them, would you consider that the Government had any claim on the Messrs. Brogden for the amount they had been allowed for the risk they ran?—No.

504. Then, would you consider that if Messrs. Brogden sustained a loss they would have any claim on the Government?—Certainly not; but if representations which were not facts were made, it would be for the Government to consider how far they were bound by the representations of their officers, and how far, as a matter of commercial morality, they ought to compensate Messrs. Brogden for any loss they had made in consequence of having placed too much reliance on these representations.

505. Whose representations do you refer to?—I refer to the fact that Messrs. Brogden entered into the contract at a time when promissory notes were being taken from the immigrants. There was, subsequently, an alteration in the policy of the Government, and they abandoned all attempts to recover any of the moneys due by the immigrants on their promissory notes. This was a change in the policy of the country which had probably not been thought of when the contract was taken, and it would be for the Government to consider how far they ought to take that into consideration.

506. Are you aware that it was represented to Messrs. Brogden that they would have no difficulty in recovering the amounts of the promissory notes?—I know nothing except what is shown in the correspondence now before the Committee.

507. Are you aware that bills which had been given by immigrants to the Provincial Governments were remaining unpaid at that time?—Yes.

508. Was it generally known that there was a considerable amount of money due to the Provincial Governments, and which was not likely to be collected?—I should not like to say. The Government certainly did calculate on collecting a large portion of the promissory notes, and my impression is that the Provincial Government of Otago used to introduce immigrants on the same terms. I believe that for political reasons the promissory notes given by immigrants in the Province of Wellington were abandoned.

509. Had the Messrs. Brogden any opportunity of finding out these facts before they entered into this contract?—I cannot say that Mr. James Brogden was aware of them or could inform his brothers in England.

510. *Mr. Turnbull.*] In reference to your memorandum of 23rd November, 1872, and Mr. O'Rorke's reply to Mr. Brogden, would the refusal to release them from their obligation be an implication that they were not bringing out a sufficient number of immigrants?—No; I am quite certain that was not the reason. It was on the broad question whether we should pay for the immigrants already introduced.

511. Then on page 6 it is stated that the regulations granting free passages were entered into on the 7th March and revoked on the 17th March?—That was probably for some technical reason. We found that we could not get the necessary number of immigrants unless we paid full price for them.

512. Was that letter of the 10th July, 1873, received by you while you were Premier?—No, I was not in the Ministry at that date.

513. *Captain Kenny.*] You stated that it was during the time that you were Premier that the first shipload of immigrants arrived?—No, I did not say that. The first arrival must have been about a month or so before I became Premier.

514. You stated that there was evidence at that time of the probable breakdown of Messrs. Brogden's scheme of immigration?—Yes, I meant to say that there was evidence of their probable inability to collect the money for the promissory notes.

515. Did Mr. Brogden put himself in communication with the Government on the subject?—I think he did, but he would have more to do with Mr. O'Rorke than myself on the subject.

516. When you learned the state of things in connection with Messrs. Brogden's immigrants did you refer the matter to the Agent-General in your despatches?—The despatches bearing on the subject were sent either from the Colonial Secretary's Office or from that of the Minister for Immigration.