

Is there no memorandum from the Agent-General describing his action in the first instance?—I was not aware that the Government were pledged to indemnify Messrs. Brogden against any loss under that contract.

630. Then you do not remember any report from the Agent-General to the effect that he had given any assurances, such as are described in this petition, which would prevent them from being losers by this transaction?—I do not think anything of the kind was reported by the Agent-General during the time I was in office. There was nothing to that effect, as far as I remember, except the statements made by the Messrs. Brogden in their petition and the correspondence. I think Messrs. Brogden said they had that promise from the Agent-General so long ago as the year 1872.

631. But the Agent-General did not refer to the matter in any way?—No, not to my knowledge.

632. *Hon. Mr. Dick.*] This petition refers to interviews which Mr. James Brogden had with you in 1872; in which interviews he urged that the Government should relieve his firm from their liabilities?—Yes; and I may say that Mr. James Brogden not only saw me, but Mr. Waterhouse also, on the subject. Mr. Waterhouse was then Premier. In October, 1872, immediately after the session, I had to go to Auckland, and Mr. Waterhouse received Mr. James Brogden in my absence. When I returned to Wellington, in the following January I think, I had interviews with Mr. James Brogden, and they were doubtless practically the same as those he had had with Mr. Waterhouse.

633. Are you aware that any relaxation of the terms was agreed to at any of these interviews?—No; the whole of the arrangements were remitted to the Agent-General, who was supposed to be much more fully acquainted with the circumstances than the Government could be.

634. In November you sent a despatch to the Agent-General, informing him that if he thought proper to modify the arrangements he could do so: were you influenced by your conversation with Mr. James Brogden to send that despatch?—Yes, probably I was. That would be only applicable to future transactions, and not to the past. I find, on reperusing the evidence, that we tied the Agent-General strictly down to the future transactions, and not to the past.

635. This was after Messrs. Brogden had abandoned the bringing-out of immigrants?—Yes.

636. Then the Government adhered to the past without making any alteration whatever?—Yes.

637. You did not think it necessary, notwithstanding all the arguments of Mr. James Brogden, to relax the agreement?—I have an impression that we thought the Agent-General ought to deal more favourably with the Messrs. Brogden than the contract admitted of his doing, but, as the correspondence shows, we limited him to future transactions.

638. *The Chairman.*] Are you aware why this immigration contract of 27th June was entered into?—It was entered into before I came into office. I know, however, that Messrs. Brogden represent that they entered into the contract at the instigation of the Agent-General, but, as I have said, the matter was arranged before I took office. I cannot say what was the reason or cause that actuated the Government in entering into it. The first I know of it was that, on taking office, the Messrs. Brogden wanted to get rid of the contract.

639. Representations having been made in New Zealand by Mr. James Brogden to Ministers that this contract was a losing one, and application having been made to relieve his firm of the liability why did not the Government relieve them of their liability as regarded the future?—I think that, practically, they did so, inasmuch as Messrs. Brogden ceased to send out any immigrants after they had, made application to abandon the contract.

640. In the letter of the 2nd November, 1872, where there are two applications, one to recoup them for past services, and the other to relieve them of future liabilities: with regard to the first, I understand that you refused to relieve them, while the second question you referred to the Agent-General himself. I wish to know why the Government itself did not at once relieve them from future operations?—The Government had only been a short time in office at that time, and the matter was referred to the Agent-General, and, as he exercised very large powers in these matters, we thought it better to leave the affair to him, acting under instructions received from the Government.

641. But what I want to ascertain is, why the Government did not use its own discretion and deal with the matter finally?—We thought the matter could be more easily dealt with by the Agent-General and the Messrs. Brogden (both parties being in England) than it could be by correspondence from here.

642. Were you at that time aware that the contract was invalid?—I do not recollect that. We were in that position that we could enforce the payment of the moneys due to us by them, because we had moneys belonging to them on account of railway contracts, and we could deduct from them the amounts they owed us.

643. Were you aware that you could not enforce the carrying on of the immigration contract?—No, I do not think so.

644. Did you wish to relieve them, or did you find that you had not the power to relieve them?—I think the Government were of opinion that they should not force Messrs. Brogden to carry out the contract, as it was pressing very hard upon them.

645. *Mr. Travers.*] Do you not think that the correspondence shows that they were guaranteed against loss?—I should not interpret the words of the contract to mean that they were to be indemnified for their losses.

Hon. JOHN HALL, Premier, examined.

645A. *Mr. Travers.*] The Committee will remember that the Agent-General, in a letter to the Colonial Secretary, stated that Mr. Hall was present at an interview which took place with Messrs. Brogden. I would now ask Mr. Hall what took place at that interview?—I recollect the conference perfectly well, and I remember also that I attended it at the request of Dr. Featherston. At that time I had recently arrived from New Zealand, and until I left the colony I was a member of Mr. Waterhouse's Government, which, to the best of my recollection, had received a remonstrance from Messrs. Brogden