

of the Agent-General, or treated them less fairly than it would have treated residents of the colony I propose to call evidence to show that an allowance was made in Messrs. Brogden's contract for the hours of labour. That, of course, is a matter which bears upon the subject. It is true that Mr. Carruthers said there was only a slight allowance made, but the Committee will remember that that was not borne out by the evidence of Mr. Henderson, who was acting for Brogdens in 1872. There is a somewhat singular discrepancy between the evidence of Mr. Henderson and that of Mr. Carruthers. To throw light upon that subject, I propose to examine Mr. Richardson.

*Mr. Cave:* With reference to this return furnished by the Government to the Committee, I would point out that it does not show on the face of it in respect of what promissory notes the recoveries have been made. It does not give the dates of the promissory notes in respect of which the payments have been received. This is a return extending over ten years, and includes recoveries made within the whole of that period in respect of all the promissory notes taken from emigrants by the Government during the same period, and therefore gives a misleading view

Hon. Mr. RICHARDSON, C.M.G., examined.

646. *Mr. Bell.*] You were a member of the Waterhouse Government?—Yes.

647. When did you come into office?—In October, 1872.

648. You had nothing to do with the negotiations for the immigration contract?—No, nothing at all.

649. You were Minister for Public Works in that Government, from what term?—From a date early in November—I was previously Minister without portfolio—and I remained Minister for Public Works for more than four years.

650. You were well acquainted with the contracts entered into with Brogden, and not only with these, but also with the contracts of other contractors for the railway works of the colony?—Yes.

651. Were you Minister at the time when the contract for the million's-worth of public works with Messrs. Brogden was arranged?—No. The general agreement was arranged in 1871; but the works were let piecemeal, and the letting of them extended on till 1873. There were two large contracts let under the agreement by myself, during my term of office.

652. Can you state what is your opinion as to whether an allowance was made to Messrs. Brogden for a probable increase in the price of labour?—I stated distinctly, in my evidence to the Committee of 1873, that fully 15 per cent. was paid by the Government over and above the rates at which the works would have been done by contractors in the colony. I am sure that that percentage was allowed. It was done deliberately. At all events, in the contracts that I arranged, the addition of 15 per cent. over and above the Engineer's estimate was made deliberately in the Cabinet. It was added upon my representation.

653. Have you a return showing the prices at which Brogdens contracted, and prices at which contractors who tendered publicly contracted?—I have not a return exactly of that kind, but such a one was prepared before I left office. The total amount of Messrs. Brogden's contracts was just short of a million. Comparing the prices of other contractors whose contracts were taken and carried out concurrently with those of Messrs. Brogden, the result showed that the colonial contractors' prices were more than 20 per cent. below the prices paid to Messrs. Brogden for their work—that is, taking the average of Messrs. Brogden's contracts, and the average of the other contracts. That return I cannot lay hands upon now. I have a statement also, which I had prepared as far as it went, before a Committee of 1873, and has since been completed. This is a statement of all contracts which Brogdens and their agents tendered for publicly. I will put that statement in. [Statement handed in.] That shows that the contracts tendered for by Messrs. Brogden publicly were all let at an average of 20½ per cent. below the prices they tendered for. These are the contracts which Messrs. Brogden tendered for and did not succeed in getting, and the return shows the sum they were let for to private contractors.

654. *The Chairman.*] I understand, Mr. Richardson, that this 15 per cent. which was agreed in Cabinet to be given to Messrs. Brogden was over and above what was considered the value of the work to local contractors. Was that done from the beginning of the arrangement with the firm?—No; at the earlier stages, and before I took office, the process had been, as was explained before the Committee in 1873, that Messrs. Brogden and the Engineer-in-Chief met together, and arranged what was considered to be a fair price for the work; the Engineer-in-Chief then brought up his report to the Government, and the works were accepted or otherwise. When I took office I objected altogether to that course; I called upon Messrs. Brogden to tender for the work, and I also called upon the Engineer-in-Chief to send in his estimate of what the work would be if done by ordinary contractors in the colony. Then the Cabinet, knowing what had been done previously with the other contracts, and which has been stated in evidence before the Committee of 1873, agreed upon my recommendation to add 15 per cent. to the Engineer's estimate of what the total cost would be if done by local contractors, as estimated by the Engineer-in-Chief; and Messrs. Brogden were to have the work if their tender was below that, or about it.

655. It was in October, 1872, that the new system was introduced?—Yes.

656. What was the relative price of the works given to Messrs. Brogden before that time, compared to what local contractors would have done the work for?—The actual difference was a trifle over 20 per cent.

657. In contracts let before October, 1872?—Yes; that was the difference.

658. Was that 20 per cent. or 15 per cent. made to Messrs. Brogden in consequence of an anticipated rise in the price of labour?—It was given as 15 per cent., but in reality it worked out to 20 per cent. It was supposed they should have 15 per cent. given to them to cover liabilities, more than any other local contractor would have to provide: that is to say, going into large works, it was known labour must rise, and for this, and increase, and other contingencies, they were allowed 15 per cent.

659. Had this anything to do with covering losses in the immigration contract?—The immigration contract was never considered. The circumstances under which that contract was entered into were quite understood by myself, and I always had a clear idea about it, because Mr. James Brogden consulted me immediately after his arrival in Wellington respecting it, and I advised him myself by telling