

The contracts for the construction of the following railways, viz., Waitaki and Moeraki (19th July, 1873), Waitara and New Plymouth (19th July, 1873), Auckland Station, &c. (19th July, 1873), Auckland and Mercer (20th August, 1873), were taken subsequent to the passing of the Government Contractors Act, 1872, but before the Royal assent to this Act had been obtained. These contracts contain the same terms and conditions and the same arbitration clause, were signed, sealed, and delivered in similar manner. But the Government Contractors Act of 1872 was not exhibited or referred to, and not produced by the Government in reference to these contracts until 1877, which was the first intimation the contractors had of the existence of such an Act.

If the Committee will read the whole letter, they will see that I am right in saying that the objection is pointed at the passing of the whole Act. They say it was passed *ex post facto*—that it makes conditions materially affecting their contract rights. Of course that point is a charge against clause 31, amongst others, but that is an incident of the charge. The inquiry took this form. Mr. Stout, the Attorney-General, referred the letter to Mr. Reid, the Solicitor-General, who thereupon wrote a memorandum, which Mr. Cave read yesterday to the Committee, and to which I do not propose further to refer. That memorandum is in E. 3, 1878. It is too long to read now, but I am sure the Committee will do the Government the justice to read it. Mr. Reid puts the facts very clearly. He appended Mr. Travers' letter to Mr. Prendergast, dated 13th August, 1872, with the amendments which he suggested in the Act. Now, that letter proves that Mr. Travers perused a copy of the first revise of the Act. True, the first revise did not include section 31, nor did it include sections 27, 28, and 30. But I wish to call attention to the fact that Mr. Travers had a copy of the Act, and notice was given him that it was going to be introduced in Parliament. The Government, as a matter of courtesy, sent him a copy of the first revise, and Mr. Travers' letter in reply will also be found in E. 3, 1878—"Dear Prendergast, &c." Mr. Travers' amendments consisted of two long clauses, which were inserted. Mr. Travers was, of course, making the suggestions on behalf of Messrs. Brogden. Another point is this, that though the first revise sent to Mr. Travers did not contain clause 31, it did contain the preamble, which reads thus:—

Whereas certain statutes are now in force within the Colony of New Zealand, authorising the construction, erection, and maintenance of railways and other public works in the said colony; and, whereas, other statutes may from time to time hereafter be in force for such and other like purposes: And, whereas, certain contracts have been already, and others may hereafter be entered into for the construction of such works between Her Majesty the Queen, and certain persons carrying on business in copartnership under the style of "John Brogden & Sons." And whereas disputes may arise under such contracts, and it is expedient that provision should be made for summary and final settlement of such disputes.

That is the preamble to the Act, and therefore Mr. Travers knew that it was to provide for a *summary and final* settlement of disputes, although, unfortunately, clause 31 was not in that first revise. That, effectually, disposes of the charge, that Messrs. Brogden did not know the Act was about to be introduced into Parliament. It did not interfere with their contract rights, but actually provided on their right of appeal from the Engineer. It is perfectly plain there must be some limit of time for such appeals. It is quite evident that they cannot be left open for twenty years, as Messrs. Brogden have suggested. I do not say the time should be limited to six months, that may be too short, but there must be some limit; that it should be so seems to me to be too clear to require further argument, and I contend, therefore, that Mr. Travers and Mr. Brogden should have watched the limitation clause which was certain to be inserted. As has been pointed out by a member of the Committee, a considerable time elapsed after the Bill was printed and before it was read a second time. In the interval there was a change of Government, and it is a very well known fact that Mr. James Brogden was in Wellington when that change took place. The Bill was brought in, no doubt, by the Fox Government, but it was read a second time on the motion of Mr. Stafford, the then premier, who was not at all inclined to take any advantage of the Brogdens to their harm; it will be found that Mr. Stafford stated most distinctly, that the Bill was brought in in pursuance of an arrangement with Messrs. Brogden, and that although he strongly disapproved of it, yet felt bound to move the second reading of the Bill. The measure was carried through Parliament by the Stafford Government, who expressed in both Houses their dislike to it; but explained that it was passed to fulfil an honorable obligation entered into by the Government with Messrs. Brogden. It may be said, that although Mr. Brogden was sitting behind the chair nearly every night, yet that he was neither present at that particular debate nor read it in *Hansard*; but a pretty full report of the debate in the House of Representatives appeared in the *Wellington Independent* the next morning, 21st September, 1872; and in that report, as in *Hansard*, Messrs. Brogden are referred to by name and the nature of the Act explained.

It is a short report, but it called the attention of everybody who read the paper to the fact that a Bill was then being passed through the House dealing with this arbitration clause in the Brogden contracts. I say it is not reasonable to suppose that Mr. James Brogden (who, of course, as I admit, has made no misrepresentation about the matter—he has simply forgotten it being here in attendance in the House, being here for the very purpose of attending to matters relating to the contracts, and then taking a very great interest in political matters, being no doubt keenly alive to what was said about himself in the papers and in Parliament) could have missed the debate in both Houses, and could have missed the reports in *Hansard* and the newspapers. Mr. James Brogden was long in Wellington, the Bill took a considerable time in its passage through both Houses; it was a Bill to grant him the appeal he had insisted upon. Mr. Brogden must have known—and there can be no question that Mr. Travers, as a lawyer of great experience, must have known—that a Bill was necessary to give effect to the arbitration clause in the contracts. Indeed, Mr. Travers fully admits this in his letter to the *New Zealand Times* of the 3rd April, 1878. There is not a shadow of doubt that a Bill was necessary, and I do not think it reasonable for Messrs. Brogden to say they did not know it. I believe that Mr. James Brogden was sitting behind the chair with Mr. Travers while the Bill was passing, each with a copy in his hand, but I cannot now produce positive evidence to that effect. Not one word of alteration was made in the Bill in either House; the Bill was passed just as it was brought in, including clause 31.

*Hon. Mr. Miller*: What clauses did Mr. Travers put in?