

contract, because of the excessive liberality with which they had been treated in regard to their railway contracts. The Hon. Mr. Richardson was called before the Committee who sat on that inquiry, with the view of testifying as to the liberal manner in which Messrs. Brogden had been treated, but he would not go quite so far as was wished, and declined to say that in the settlement of the contract prices compensation had actually been allowed. He would only go as far as to say that the prices allowed to Messrs. Brogden were somewhat larger than would have been paid to other contractors in the colony; but he qualified that by saying that only the same prices were paid to Messrs. Brogden as would have been paid to Messrs. Brassey or any other large contractors from England if they had come out to New Zealand under the same circumstances with a large staff. But this excessive liberality towards Messrs. Brogden under these railway contracts was put forward last year as a reason why no compensation should be given them under their immigration contract, a contract by which it was proved they had lost over £40,000. Have they been treated with excessive liberality in these contracts? What has actually been done? Out of the Moeraki contract money, £27,000 honestly earned by them has been retained by the Government. £20,000 has been retained in payment of the Government claims under the immigration contract, and £7,000 has been allocated in the way mentioned in the letters of the 12th May, 1877, placed before the Committee. Where is the excessive liberality? I venture to think such liberality will not be found out of New Zealand.

*Mr. Bell:* The £20,000 was represented by promissory notes of Messrs. Brogden and Sons.

*Mr. Cave:* I do not deny that for a moment, but Messrs. Brogden, as I venture to think, proved that they had suffered a loss of over £40,000 on their immigration contract, and were asking for compensation in regard to it. I do not say they had any legal claim to it, but they asked for consideration by the Committee. If they had had any legal claim, they would not have been before the Committee. They were asking for compensation, and one ground put forward by the Government why they should not receive it was that they had been so excessively liberally treated in the prices allowed under their railway contracts. And then my learned friend sought to put an interpretation on the allowance for "contingencies," and asserted that the contingencies were allowed Messrs. Brogden for the purpose of covering certain omissions in the drawings and specifications which are referred to in clause 3 of the general conditions. But, assuming that to be so, it is a matter for the arbitrator to determine. If the allowance for contingencies was made on that account, Messrs. Brogden have given full value for their money, and it cannot be said they were very liberally treated in that respect. And then it was urged that five years have been wasted in fruitless litigation. I admit that statement, and assert that they have been wasted in fruitlessly fighting technicalities and legal objections. I venture to say that, during the whole five years, the merits of the claims have never been gone into, or even approached to the extent that they have been in the course of this inquiry. I am unwilling to occupy the time of the Committee longer, and would now finally submit to them that I have proved there are various items in the claims which have not been paid, and which are justly due to the contractors. But whether or not the Committee are satisfied on that point, I would submit that I have shown sufficient to justify further inquiry. The Committee have not to deal with the merits of the case, but, if the Committee are satisfied there is a doubt, I submit that Messrs. Brogden are entitled to the benefit of that doubt. I would strongly urge that I have proved conclusively that sums certified by the Engineers have not been paid. I would also submit that the fact of the retention of the Moeraki money and the surcharges on the Waitara and Invercargill contracts are quite sufficient to warrant the Committee in recommending further investigation into the claims. As I have already said, the Committee are not called upon to decide on the merits, but have only to consider the question whether or not Messrs. Brogden should be given an opportunity of bringing those merits before a Court. I submit that it would be only a simple act of justice on the part of the Committee to recommend an open inquiry into the case; at which inquiry both sides could be heard, the evidence properly taken and considered, and a fair and impartial decision on the merits would be arrived at. I have already pointed out that Messrs. Brogden are willing to make considerable sacrifices, and I venture to think that the colony too can afford some sacrifice with a view to securing a final settlement of these disputes. I am quite sure that every one who has the welfare of the colony at heart would rather see an investigation into these claims, even though it does cost the colony a few thousands of pounds, than that Messrs. Brogden should have the slightest foundation for asserting that, under cover of an unprecedented Act of Parliament (for in those terms the Act has been described by the Solicitor-General), the Courts of justice should be closed to them, or that they should be denied an inquiry into the merits of their claims. I now put in the letters asked for by my learned friend, the replies to which have already been put in. The first is dated the 10th February, from Mr. Henderson to Messrs. Brogden, in London, as follows:—

DEAR SIR,—

Wellington, New Zealand, 10th February, 1877.

*Ourselves v. the Government.*

As you are aware, immediately upon my return I commenced serving the Government with notices of submission to arbitration relative to our claims for extras, all being done under advice of Mr. Travers. After two months you will see the Government have notified us in an indirect manner that our notices were informal, not being in accordance with an Act passed on the 10th October, 1872, called "The Government Contractors Arbitration Act," of which I knew nothing. Mr. Travers then finds he has lost two months, and has to commence *de novo*.

I have, &c.,

Messrs. John Brogden and Sons, London.

JOHN HENDERSON.

GENTLEMEN,—

21, Queen Anne's Gate, Westminster, S.W., 5th April, 1877.

The only letters received by the Frisco mail, which arrived on the 27th ultimo, were one from Mr. Henderson, with enclosures, and one from Mr. Blamey, with the usual accounts. We are very much disappointed at the absence of other information, as we are not able to write you so fully by this mail as we should otherwise have done. We note in this letter the principal points that strike us with reference to the matters named in the enclosures sent by Mr. Henderson.

We have perused the general Contractors Act, 1872, and compared it with our contracts, and we find there is a marked difference between them. This seems to us to be a very serious matter, and to be really *ex post facto* legislation. We do not see it stated in the Act itself that we have given any consent to the new conditions it contains, nor do we know that our consent has been given in any other way, and we are therefore at a loss to understand how we can be bound by them. Mr. Tahourdin is not at his office to-day, so that we are unable to send you his opinion; but we must urge this question upon the very careful attention of yourselves and Mr. Travers, as we look upon the difference in the contracts and this Act as a very serious matter, especially as the Government do not waive any right or privilege which they allege is