

countries. This has cost us already a large sum of money, and the delay in going into the examination is, as the Government knows and possibly relies on, a considerable annual charge to us.

As to the delay being on our side, the correspondence, year by year, shows that we have always been demanding and urging an inquiry for the obvious reason that we wanted our money and also wished to wind up our affairs here. The 10-per-cent. interest secured by the contracts is no compensation to us for these losses and expenses.

Then the Government say we could have had this inquiry under the Contractors Act without delay, but did not avail ourselves of it. Let us examine this matter: the first intimation we or our agent here, Mr. Henderson, or Mr. James Brogden, ever had of the existence of the Contractors Act, 1872, was in January, 1877, after we had sent in our final accounts in respect of all our contracts excepting the Auckland and Oamaru cases. The startling character of the provisions of that Act, especially those limiting the time for arbitration to six months from the time when any particular dispute arose, and giving the arbitrator power to take unsworn evidence, without the opportunity of cross-examination, &c., quite overwhelmed our representative and took us equally by surprise. Notices to arbitrate were at once served by us, and the Government were asked to acknowledge that the notices were proper, but they refused to accept them as in order, and never intimated their willingness to waive the limitation of six months, and therefore retained the position at any moment to say that they relied on that limitation.

This Act was declared to have taken away our rights at common law and closed the Courts of justice to us. It was new to us and unexpected, and therefore we naturally strove to test our common-law rights before adopting any of its provisions, one of which is that, in respect of any matter in which we proceed under the Contractors Arbitration Act, we voluntarily give up any right of action at law. We therefore applied for and obtained in 1877 a Petition of Right to sue for the moneys unpaid to us on the Waitara Contract. To this the Government pleaded "The Government Contractors Arbitration Act, 1872," and the question would have been tried then, but the Government subsequently pleaded a further technical plea, arising out of a difference between the laws of England and the colony, and, although the difficulty was fully removed in substance, they insisted on maintaining their technical defence, to which we could not reply, and that action was thereby stopped, and we had to pay the costs.

We pressed for, and, finally, in November, 1878, obtained, another Petition of Right on the Invercargill Contract, to try the question. We endeavoured in the meantime to come to amicable terms of settlement, but subsequently the action was proceeded with by us with all expedition; but we could not obtain a hearing before the Court of Appeal until last November.

After this explanation we think no persons, especially those who, from their position in the Government or the public service, have the opportunity of informing themselves, can repeat the statement, obviously to our prejudice, that we have been keeping quiet with purpose and intent, while in fact all the time we have been pressing for an inquiry, but unable to enforce it from the want of the power to proceed until we had obtained the Petitions of Right.

Our demands for Petitions of Right in respect of our other contracts have been refused, even up to the present time; and we are therefore unable to take a step in regard to them unless we voluntarily go under the Act, and so, with the six months' limitation before us, practically abandon our rights.

It may seem extraordinary that we did not take steps to protect our interests while the Act was being passed, and remained ignorant of it for so long a time. Of our ignorance of it there is no doubt; and there is not much in that fact to occasion surprise, as it is essentially a private Act, and deals with no one but ourselves; but neither in New Zealand nor in England was any notice, such as is required in the case of private Bills, given to us. Its title is calculated to mislead, as it is called by the general term "The Government Contractors Arbitration Act," although it only applies to us, and not to the many other contractors with the Government, and its clauses were altered at the last moment in a manner materially affecting our interests and our position under the contracts, and this without any intimation to us or obtaining our consent.

It is not necessary to state that this was done designedly, but the fact that the Act closes the Courts of justice of the colony to us, and limits us to six months to go before the arbitrator, shows that we have suffered most grievous wrong by this kind of legislation, passed without consulting us and behind our backs.

With regard to the attempt to show that Mr. Travers, who was then acting as our solicitor, had notice of the introduction of the Bill, and should have watched its progress, we must take the exception that such a notice, even to a solicitor, unless he was specially authorized, would be insufficient; but Mr. Travers distinctly denies that he ever had such a notice, and the correspondence published in parliamentary paper E.-3, 1878, shows how unfair this statement is to him.

The draft of a general Bill, authorizing the Judges to act as arbitrators, and fixing the mode of procedure, was forwarded to him "as a matter of courtesy" (see Mr. Reid's letter E.-3, 1878, page 9), and on which he made some observations, but without any special reference to us or our contracts; it contained headings of twenty-two clauses, while the Act, as passed, had thirty-one, the objectionable clauses having been added by Mr. Reid, as he admits in his letter published in the parliamentary paper just referred to, page 9. Even the Minister, in introducing the Bill, appears to have been unaware of these alterations, as he never alluded to them, but said it was a Bill to carry out the arrangements which had been made with us for enabling the Judges to act as arbitrators. Our ignorance of the existence of the Act, and its effect upon us, is therefore to be accounted for by the misleading title under which it passed into law, and the concealment of the alterations made in our contracts by it.

We give this explanation to prevent any misconception of the facts.

We have, &c.,

The Hon. the Minister for Public Works.

JOHN BROGDEN AND SONS.