

with yourselves." To that part of your letter in which you say that "The objectionable clauses were added by Reid, as he admits in his letter published in the parliamentary paper before referred to," I am to refer you to the long list of "objectionable" clauses which you selected in your previous letters to remind you that only one of such clauses, viz., section 31, was added by Mr. Reid, and to inform you that the Government see no reasonable ground for the complaint by you that that clause was added before the Bill was introduced into Parliament, and that they do not consider that anything which has been said or written on the subject has cast the smallest imputation upon the good faith of the Parliament of the colony, the Governments of 1872, or the Solicitor-General.

I am further to remind you that until the Government propositions of law and fact, in reply to the Waitara statement of claim filed by you under the Act of 1872, were delivered in January, 1882, the Government had never pleaded or made use of the provisions of section 31, which prescribes the limit of six months. But you formally pleaded and relied on the time-limit prescribed by that section in your replications to the Government pleas to the Waitara Petition of Right in October, 1877; that is to say, that in the same year in which you had asked the Government to waive the time-limit, and the Government had consented to your request, you endeavoured to avail yourselves of its provisions in the Supreme Court.

The Minister fails to see upon what grounds you can fairly complain if the Government follow the course which you elected to pursue in 1877, nor with what force you can attack the part of the Act of which you have yourselves made use in reply to the Government pleas.

I have, &c.,

JOHN KNOWLES,

Under-Secretary for Public Works.

Messrs. Brogden and Sons, Wellington.

The ASSISTANT UNDER-SECRETARY for PUBLIC WORKS to Messrs. BROGDEN and SONS.

GENTLEMEN,—

Public Works Office, Wellington, 15th March, 1882.

I have now the honor, by direction of the Acting-Minister for Public Works, to reply to your letter of the 15th ultimo.

In Mr. Knowles's letter of the 21st ultimo the allegations now made by you with reference to the "Government Arbitration Act" were anticipated and refuted. A reference to that letter should prove to you that your statement, that the Government and yourselves were ignorant of the passing of the Act is entirely incorrect. It is for obvious reasons impossible for the Government, in the present position of the differences between your firm and the colony, to enter into a discussion as to the validity of the deductions which have been made on account of works omitted from your contract works, or on account of penalties. I am, however, to state that the Government does not admit the correctness of your statements or the justice of your contention. But I am again to point out that, had you not refused in 1877 to proceed with the investigation upon a basis which you yourselves had proposed, and to which the Government had assented, the grievances of which you now complain would then (if real) have been remedied.

The Government agree with you in your statement that you "are entitled to be paid for the works you have done for the Government." According to the Government accounts you have been paid all that is due to you for such works. I am to call your attention to the actual facts of the case.

Your six contracts of the 10th August, 1872, amounted to £560,446. Your three subsequent contracts of the 19th June, 1873, amounted to £249,750; total, £810,196. You have been paid by the colony in respect of these nine contracts the sum of £993,866 2s. 10d., or £183,670 2s. 10d. in excess of your total contract sums. Of this excess, the sum of £118,047 12s. 9d. was paid for station-accommodation, leaving a sum paid to you for extras (after allowing £65,900 10s. for deductions) of £131,523 0s. 1d.

You will remember that the first six contracts were arrived at upon calculations between your Mr. Henderson and the Engineer-in-Chief. On reference to those calculations we find that, out of £560,446, the total of the six contracts, no less than £133,106 8s. was allowed to you for profit, management, and contingencies. It may fairly be assumed that you derived a proportionate profit from the last three contracts.

A very large margin having been thus allowed in your contract sums for contingencies and profits, it appears to the Government that the sum of £131,523 0s. 1d. already paid to you for extras is rather a large than a small excess upon contract sums amounting to £810,196.

You will further remember that you were allowed a profit of 10 per cent. on all work done by you in station-accommodation.

Your claims in reference to the Immigration Contract have been presented by you on two occasions for the consideration of the Parliament of the colony. Two Committees of the House of Representatives have reported that you have no right whatever to compensation from the colony, and it has thereby been proved that your claim is an unreasonable one. I am to state that the immigration claim must be considered to be definitely disposed of.

I have, &c.,

CHAS. T. BENZONI,

Assistant Under-Secretary for Public Works.

Messrs. John Brogden and Sons,
Wellington.

Messrs. BROGDEN and SONS to the Hon. the MINISTER for PUBLIC WORKS.

SIR,—

Wellington, 15th March, 1882.

We have the honor to acknowledge the receipt of your letter of the 21st ultimo.

In order to reply to the whole of your letter, we fear that we shall have to do so at considerable length. A few matters, however, may be disposed of shortly. Mr. Carruthers is and has been available for you at any time, and either could have been recalled here or examined by commission at Home. It is not correct to say that we endeavoured to deprive the Government of the services of Mr.