

The letter should state expressly that, in so acknowledging the notices, it is not intended to waive any irregularity in the terms or form thereof, nor to waive any right or privilege vested in or accorded to the Government or the Minister for Public Works under "The Government Contractors Arbitration Act, 1872." A suggestion might be added that in any future steps to be taken Messrs. Brogden's legal advisers should communicate directly with the Law Officers of the Government.

20th January, 1877.

W. S. REID.

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

GENTLEMEN,—

Public Works Office, Wellington, 26th January, 1877.

I am directed by the Hon. the Minister for Public Works to acknowledge the receipt of your four letters of the 21st December, severally giving notice of a dispute having arisen in respect of the contract entered into by Messrs. Brogden and Sons as regards the railways therein mentioned, the four railways being the Picton and Blenheim, the Napier and Pakipaki, the Waitara and New Plymouth, and the Invercargill and Mataura.

The Minister intended to have deferred acknowledging the receipt of your letters, as above, until he was in a position to have gone fully and finally into the matter in dispute; but, after giving them such consideration as he is able, the Minister instructs me to inform you that he finds some of the matters in dispute cannot finally be fully investigated during the absence of the Engineer-in-Chief. On that officer's return, now shortly expected, a definite reply shall, however, be sent to you. Meanwhile I am to state that it is not intended by this acknowledgment to waive any irregularity in the terms or form of the various notices you have given, nor to waive any right or privilege vested in or accorded to the Government or the Minister for Public Works under "The Government Contractors Arbitration Act, 1872."

I have, &c.,

JOHN KNOWLES,

Under-Secretary for Public Works.

Messrs. Brogden and Sons.

MR. TRAVERS to the SOLICITOR-GENERAL.

SIR,—

*Re Brogden.*

Wellington, 31st January, 1877.

With reference to the conversation between us at our yesterday's interview with respect to the claims of the Messrs. Brogden against the Government, I now beg to put in writing the course which I think would be most satisfactory to both parties, in the hope that it may meet the approval of the Government.

Assuming that the Government will treat the existing notices as a sufficient compliance with the Act, Messrs. Brogden will at once file in the Court here their claim in respect of the Napier and Pakipaki line, with the propositions of law and fact in support of it.

The Government will then file any counter-propositions.

Before the Court is asked to appoint a day for hearing the matter, Mr. Henderson will be willing to meet the Engineer-in-Chief, and go through the claim, for the purpose of eliminating all items in respect of which no dispute exists; or Mr. Henderson will meet Mr. Carruthers before the claim is filed, for the purpose of reducing it to the actual elements in dispute.

When the latter have been ascertained by either of the above courses, issues could, with the sanction of the Judge, be drawn by you and myself, so as to raise all the questions involved in the dispute; and the decision of his Honor on these questions would guide both parties in regard to similar questions arising out of the other cases, either party being at liberty, however, to treat such questions as still open with respect to other lines.

It is not my wish, acting for the Messrs. Brogden, to pursue these investigations in any spirit of hostility towards the Government, or in a manner likely to embarrass or inconvenience them; and I trust that the Government, on their part, will consent to carry on the proceedings with as much freedom from technical difficulties as may be consistent with their duty; I, on the part of the Messrs. Brogden, being quite willing to waive technical points in the course of the proceedings.

I should be glad to have your views upon the above at your early convenience, this letter being, of course, without prejudice.

I have, &c.,

The Hon. the Solicitor-General, Wellington.

WM. THOS. LOCKE TRAVERS.

The SOLICITOR-GENERAL to the UNDER-SECRETARY for PUBLIC WORKS.

The Under-Secretary for Public Works.

I send you this letter received by me to-day. It seems to me Mr. Travers's proposal is fair and reasonable, and one that should be entertained by the Government. The decision in one of the cases will practically settle all the questions in dispute respecting the various contracts; and should this be favourable to the Government it is not likely the Messrs. Brogden will proceed with other cases; and if, on the other hand, the Government do not succeed in their view it would be useless going to increased expense and loss of time in further cases. Will you please lay this before the Minister for instructions. The details, of course, remain to be finally settled.

31st January, 1881.

W. S. REID.

MINUTE of the Hon. the MINISTER for PUBLIC WORKS to the UNDER-SECRETARY for PUBLIC WORKS.

Mr. Knowles.

The course advised by the Solicitor-General is approved. Solicitor-General to correspond with Mr. Travers.

14th February, 1877.

J. D. ORMOND.