

197. *The Chairman.*] What works were so arranged for?—During the time I was in the Ministry the railways in the North Island arranged for were the Auckland–Waikato, and the Napier–Paki Paki. The Picton and Blenheim line had been partly arranged for before either of us took office. It will be better for Mr. Reeves to speak of the railways in the Middle Island.

198. In fixing the price to be paid to Messrs. Brogden, was any allowance made to cover the contingency of a rise in the price of labour or of the contractors being compelled to import labour from beyond the sea?—The contingency of a rise in the price of labour certainly was a consideration of all the contracts, and one which was discussed between Ministers and Messrs. Brogden in settling the contracts made with them. The Brogdens on those occasions always raised the labour question and the risk they ran in respect of it; but the question of importing labour from beyond the seas was never distinctly raised in connection with the contracts.

199. *Mr. Carrington.*] Did the Engineer-in-Chief bear that risk to the Messrs. Brogden in mind—I mean the risk of a probable rise in the price of wages—when he framed his estimates for the works?—I believe he did. Ministers certainly did in settling the contracts.

200. *The Chairman.*] What was the course pursued by you in arranging contracts with Messrs. Brogden?—In the first place, before Mr. Reeves and I took office the Picton and Blenheim line had been arranged for; the Engineer-in-Chief for the Colony and Messrs. Brogden's engineer went over the line, took out quantities and fixed prices, which were then submitted to Ministers. The next line arranged for was the Auckland line, and there the same course was pursued. Upon consideration, Ministers decided that it was not desirable to continue that course. In after arrangements of contracts, the practice was in the first place for the works to be offered to Brogden, who was allowed a month within which to tender. The Engineer-in-Chief submitted to Ministers his list of prices, quantities, &c., which guided Ministers in considering Messrs. Brogden's tender.

201. *Mr. Parker.*] Do you know whether any instruction was given to the Engineer to deal liberally when fixing the prices for Brogden, on account of contingencies arising as regards labour?—No particular instructions were given. No doubt he took that point into consideration when fixing his prices; at all events, he always regarded it as a question of very considerable importance.

202. *Mr. O'Neill.*] Was any special allowance made to the Brogdens for any loss they might sustain by the introduction of immigrants?—In fixing the price of contracts, the two questions were never connected.

Wm. REEVES, Esq., M.H.R., in attendance, and was examined as follows:—

203. *Mr. Macandrew.*] What works, if any, did you, as Minister of Public Works, negotiate for the construction of with Messrs. Brogden?—I negotiated the construction of some, but without reference to my diary I cannot at the present moment say precisely what they were. I was engaged in considering the contracts for several different lines, but so far as I can recollect I had not the sole arrangement of any one contract. In the negotiations for the Invercargill and Mataura line, I was engaged for the best part of a week or ten days in continual correspondence about it. In fact I met Mr. Brogden and Mr. Henderson daily in my office, and yet the actual conclusion of the agreement did not take place until a fortnight afterwards, when I was away from Wellington, so that I could not say absolutely what works I concluded. The arrangements for the agreement spread over three weeks or a month.

204. In fixing the price to be paid to Mr. Brogden, was an allowance made to cover the contingency of a rise in the price of labour, or of the contractors being compelled to import labour from beyond seas?—I only speak of that part of the agreement with which I had to do. The preliminary agreements as to prices were arranged between Mr. Henderson and Mr. Carruthers. The result of their arrangements was then put before Ministers, and Ministers were guided by the Engineer's advice. Whenever a difference arose between the Engineer and the contractors, as was almost always the case, it then became a question for bargain between Ministers and the contractors. In consideration of the settlement of that difference, which was sometimes large, the question of labour was decidedly considered; that is to say, Mr. Brogden urged upon Ministers, as he did repeatedly upon myself, the difficulty they would have to contend with, with the certain prospect of a rise in the price of labour. These considerations I felt bound to take into account, and I invariably treated them with extra liberality on that account. As to the second part of the question, so far as my recollection serves me, the fact of their having to import labour from Great Britain or elsewhere never formed any part of the consideration, never having been brought on the *tapis*.

205. *Mr. Rolleston.*] Whether and to what extent do you think that the liberal terms offered by the Government to intending immigrants in England by the Agent-General operated prejudicially to Messrs. Brogden's arrangements for sending out immigrants?—I can only imagine the result. If Brogden had any great difficulty in obtaining immigrants when the Government was acting under the original regulations, that difficulty must, as a matter of course, have been increased when the Agent-General gave free passages.

206. *Mr. Carrington.*] Would it not also have the effect of greatly increasing the difficulty of recovering money out here? Would it not have the effect of making the men sent out dissatisfied?—In my opinion it would do so.

207. *The Chairman.*] Were the alterations in the terms for introducing Government immigrants made while Messrs. Brogden were fulfilling their contract, and, if so, at what period?—I cannot answer that question until I have had an opportunity for referring to dates. I understand the alterations were not made by the Agent-General until Messrs. Brogden had practically thrown up their contract.

208. *Mr. O'Neill.*] In making contracts for works, was there any special allowance made to the Messrs. Brogden for any loss they might sustain through the introduction of immigrants?—No, I am not aware of any.

MONDAY, 22ND SEPTEMBER, 1873.

The Hon. Mr. O'ROKKE was in attendance, and was examined as follows:—

209. *Mr. Rolleston.*] When did the Government give instructions to the Agent-General to grant