

97. I think it appeared from the first letter you read, that Mr. Alexander Brogden told Mr. James Brogden the terms were, that the difference between £10 charged by the Government and the £15 they were charging was to recoup them for any chance of loss. Now I wish to ask you if you are not aware that as soon as Mr. James Brogden received that letter, he perceived difficulties would arise from the position in which the firm was placed for the recovery of these promissory notes, and that difficulties would also arise from the fact of the Government carrying on immigration on different terms, and that he immediately urged upon his firm not to go on with the immigration arrangements?—No; I am not aware of that.

98. *Mr. Macandrew.*] In fixing your prices for works, was there any allowance made for a rise in the rate of wages?—No; excepting the usual allowance for contingencies. The prices for the Dunedin and Clutha and all other lines contracted for at that time were arranged between Mr. Henderson and Mr. Carruthers. A schedule of these prices were afterwards submitted to and received the approval of the Minister, and I have no personal knowledge of any provision having been made for immigration liabilities.

99. *The Chairman.*] Were you present at the interviews which took place between the Colonial Engineer and Ministers when these prices were determined upon?—I was.

100. The interview with the Engineer or the Minister?—Between the Engineer and Mr. Henderson, particularly in regard to the Dunedin and Clutha contract.

101. *Hon. Mr. Fitzherbert.*] What is your position in the firm?—I have charge of the immigration department, and I am deputy representative of the Messrs. Brogden.

102. I will ask you whether you are aware of any extra price, allowance, or concession, or any advantage in price, having been made to the Messrs. Brogden in respect of any probable loss arising from their immigration arrangements?—No; none whatever. The contracts were signed before we had any advices about this immigration contract.

103. Independent of that, you say you are deputy representative of the firm, and that you have charge of the immigration department. In any contracts for works between Messrs. Brogden and the Government, was there any allowance made, any concessions or any extra price whatever allowed in respect of their having undertaken immigration?—No; there was none.

104. Do you know that positively?—I know that positively. I know that there was no provision whatever made for that.

105. *Mr. Curtis.*] Did you not consider the effect of this immigration upon the price of labour; that is to say, in giving in any particular tender you took into account the probable effects of this immigration, either as regards the reducing of existing prices, or of the preventing of a rise upon any large work or undertaking?—When the contracts were drawn up, the price of labour was stated to be 6s. per day. By introducing labour into the country we naturally thought that it would have the effect of keeping down the price to 6s. per day, and that we would be providing sufficient labour for carrying out the public works without materially interfering with any other industry.

106. *Mr. Macandrew.*] You say that the Messrs. Brogden fixed the price of these contracts irrespective altogether of the introduction of labour by this means?—Quite so.

107. In entering into these large contracts, you were prepared to rely upon the ordinary supply of labour in the Colony?—Well, we expected that the Government immigrants sent out would increase the labour supply, and we thought that, rather than disturb native industry, we might get a labour supply from Australia.

108. *Mr. Parker.*] Did your firm base its contract upon nine hours' labour per day when the rate of labour per day was only eight hours?—It will be shown by the correspondence that Mr. Henderson was informed by the Government that the rate of wages was 6s. per day for nine hours' work.

109. *Hon. Mr. Richardson.*] You say that these contracts were arranged at prices based on an impression that the rate of labour was 6s. per day for nine hours' work, and that no contingency in the shape of an increase in the price of labour was allowed for?—That was the rate of wages it was based upon, and there was no provision for increased rates beyond the usual item of contingencies allowed on all railway contracts.

110. *Mr. Macandrew.*] What is meant by the word "contingency"?—It is supposed to cover bad work, or work on bridges that may be washed away, or a rise in the price of labour or in the price of material.

111. *Hon. Mr. Richardson.*] You state that these contracts were based upon a calculation of 6s. per day for nine hours' work?—Yes; these are the figures they were based upon. All the men at Auckland started upon that footing, and it was not until after the arrival of our men in the Colony that it was found out that colonial labour generally was eight hours. The result in the first instance was that strikes took place on several of our works, and the result was that the eight hours' system had to be adopted.

112. *Mr. Parker.*] Then you based your calculations upon information received from the Government?—Yes. From information got by Mr. Henderson from the Government, we were led to believe that the rate was 6s. per day for nine hours' work. In point of fact, these were the hours in Auckland in March, 1872.

113. *Hon. Mr. O'Rorke.*] What were the terms upon which the first immigrants came out?—Messrs. Brogden had no specified agreement between the Agent-General and themselves. The Agent-General paid the passage money up to that time.

114. And the Agent-General holds Messrs. Brogden's promissory notes for the amounts?—Yes; he holds them to the extent of £18,400.

115. You have stated that the last vessel despatched from England was the "Lutterworth," on 23rd December, 1872?—Yes.

116. Are you aware of the Agent-General having made any change in his regulations between the time the contract was entered into and that date as, alleged in your petition?—The terms were reduced to £4 on the 4th December, 1872.

117. Were not these terms made for nominated immigrants?—I am not prepared to say definitely. I know that a great grievance arose in consequence of the Government having sent out immigrants for