

146. When these prices were settled, was the rate of wages and the number of hours per day taken into account?—Nothing was absolutely stated as to the rate of wages, although the rates likely to prevail are usually kept in view when such works are to be considered. The prices were settled principally upon the rate paid for other works. I never said anything, and I am pretty sure the contractors never said anything, that would lead to the belief that an increase in the price of labour would lead to any claim for compensation.

147. Were these prices calculated upon the prices then current in the Provinces, or was there any allowance made for the difference likely to arise from the fact of large works being put in the market?—Certain prices were fixed upon, under the supposition that everything would advance in price. Everybody knew that skilled labour, timber, and other things, would rise in price. There was no supposition that unskilled labour would largely increase in price. It was expected that a large immigration, which was expected to go on, would keep it down in price.

148. *Mr. White.*] What were the prices then current?—Seven shillings per day for eight or nine hours' work, according to the season.

149. *Mr. Rolleston.*] In making up these prices, was not the labour question made a condition of the contract?—No, not in any way. There was some talk at the time amongst Ministers about a limiting clause, but I remember perfectly well that I was careful not to bind the Government in any way. I knew perfectly that it was impossible to guarantee wages by fixing any particular rate.

150. *Mr. Macandrew.*] In fixing the prices to be paid in respect to contracts, was there any allowance made for any contingency arising as to the price of the wages?—When you fix the prices of works of this kind, they are made high or low according to the likelihood of an increase or otherwise on existing rates. The prices in this case were fixed high in order to allow of an increase, to some slight extent, upon the then current rates for unskilled labour, and for skilled labour, which would have either to be imported or paid at a higher rate.

151. The prices, then, were fixed at such a rate as to allow of a slight increase in the rate paid for unskilled labour?—Yes.

152. Was there any allowance made, or was it taken into consideration in fixing these prices, that the contractors were about to import labour into the Colony?—No, it was not expected that the contractors would have to import labour, because it was understood at the time that the Government was going to import a great many immigrants into the place, and it was supposed that that importation would be sufficient to keep prices down to prevailing rates.

153. I see by all the contracts that an allowance of $12\frac{1}{2}$ per cent. was made in name of contingencies; what was that allowance intended chiefly to cover?—It would cover superintendence of the works by foremen, and accidents to the works, tools, &c.

154. Was that allowance made outside the 10 per cent., and irrespective altogether of it?—Yes, it would be outside of that.

155. *Mr. Rolleston.*] Is any risk of miscalculation with regard to a rise or fall in the price of labour taken by the contractors in fixing prices for works of this kind?—Certainly.

156. If there should happen to be a rise in the price of labour after the contract has been entered into, would the Government have anything to do with that?—No; certainly not.

157. If a fall took place in the price of labour, would the Government have had any claim whatever against the contractors for a reduction of the contract price?—No; I should not think they would.

158. *Mr. Macandrew.*] Can you say from your own experience of the prices at which contracts have been let to local contractors, whether the prices Messrs. Brogden have received are in excess or the reverse; whether they have been paid over or under the prices paid to other contractors doing similar work?—No; they are certainly not paid under these contractors; but I am not prepared to say that they are paid in excess. I would not give a reply upon that branch of the question at present. I am in course of preparing a statement which will show the matter more fully.

159. *Mr. Rolleston.*] However, you state generally that they are not underpaid?—No; they are not.

160. *Mr. Carrington.*] Were the contracts taken in the impression that there would be ample labour supply in the Colony?—I cannot answer, as it would be stating Mr. Brogden's impressions. I know that I have heard Mr. Henderson frequently express his opinion that the labour question was a very serious one, and one which he looked upon with some alarm. I always looked upon it myself as a serious question, and I still look upon it as a very serious question, as the works are not yet in full operation.

161. *Mr. O'Neill.*] In arranging these prices, did you make any allowance for any loss that might fall to the Messrs. Brogden by the introduction of immigrants?—No.

162. *Hon. Mr. Richardson.*] With regard to the stoppage of works on the Hutt line, Mr. Henderson stated that they were delayed for three months waiting for an alteration in the design, and that he had to take men off and put others on again in consequence of this alteration of design?—I do not think that he has any reason for saying so.

163. *Mr. Carrington.*] Was there no difference made in the case of the contracts given to the Messrs. Brogden regarding contingencies and allowances as compared with contracts given to other parties?—No; contracts have been let to other parties in the same manner as to Messrs. Brogden, but only by public tender. Where the public are allowed to tender for the work, the contractor includes contingencies in the estimated cost. Of course the contingency is provided for whether it be put down as such, or simply included as a first price.

164. *Hon. Mr. Richardson.*] The question is, whether in your dealings with the Messrs. Brogden, you recognized certain allowances which would not have been made to other contractors?—No; certainly not.

165. *Mr. Rolleston.*] In arranging these contracts with Messrs. Brogden, were you in any way authorized to consider the question of the introduction of immigrants, or anything beyond the question of the price such as would have been considered for any other contractor?—No.

166. You were not instructed or authorized to take any question of that kind into consideration?—