

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 with 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.

The Hon. the Solicitor-General, Wellington.

I have, &c.,

WM. THOS. LOCKE TRAVERS.

He (Mr. Cave) would call attention to this fact: That at this time the Government were in a position to set up the plea of six months' limitation, inasmuch as the accounts had been delivered in May, 1876. In June, 1876, the Government had announced to Messrs. Brogden that they had disputed the claims, so that in consequence of the negotiations which had taken place between June and December, 1876, between the Engineer-in-Chief and Mr. Henderson, the six months had been allowed to slip by—in other words, the six months during which action under the Government Contractors Act should have been taken, had been allowed to lapse. Messrs. Brogden therefore thought it would be necessary to obtain a distinct promise from the Government, that they would not raise the question of the six months' limitation.

*Hon. H. J. Miller:* You have said that the amended accounts were sent in in May?

*Mr. Cave* replied that that was the case. On June 19th, 1876, the Government replied in the terms of the letter of that date already referred to.

*Mr. Macandrew:* There is no allusion to the Government Contractors Act in that letter?

*Mr. Cave:* No; the first allusion to that was in January, 1877, possibly it was then that they first became alive to the effect of the 31st clause of the Act.

*Mr. Macandrew:* But even then the six months had elapsed?

*Mr. Cave:* Yes; and that probably accounted for the anxiety Messrs. Brogden evinced to have a definite promise from the Government, that they would not enforce the limitation clause, or set it up as a bar to the claim.

*Hon. Mr. Miller:* Are we to understand that up to this time—*i.e.*, January, 1877, the Messrs. Brogden took no cognizance of the Act.

*Mr. Cave:* Yes; of course, they knew that an Act had been passed to enable the Judges to act as arbitrators, but there was nothing in the debates in the House which would direct their attention specially to the 31st clause of the Act.

*Hon. G. McLean:* Sir John Hall refers to a cheap and speedy method of settling this question in his speech in the Legislative Council.

*Mr. Cave* said this was a cheap and speedy method of settlement.

*Mr. Macandrew:* I understood you to say that Messrs. Brogden & Sons had no knowledge of the six months' limitation clause being in existence until January, 1877?

*Mr. Cave:* Yes; so far as I have been able to ascertain, no allusion was made to the Government Contractors Arbitration Act previously. Up to that time there was no question as to 'disputed claims. The question was only raised after the works had been completed.

*Sir John Hall:* You assume that neither the Messrs. Brogden nor their representatives read the Bill, as it was passed by the Legislative Council?

*Mr. Cave:* Yes; and he could quite understand that that would be so, because the interval between the second reading of the Bill and the time it passed was very short.

*Hon. Dr. Pollen:* The Government said that they were bound by the Act?

*Mr. Cave* could quite understand that to be the case, and then Mr. Travers read the Act and found that the alteration had been made.

*Mr. Montgomery:* Do you contend that the Contractors did not read the Bill?

*Mr. Cave* said it had been stated by Messrs. Brogden that they were not aware of the provision in the Bill. There might not have been any necessity to refer to the Act, as no disputes had arisen.

*Hon. Mr. Miller:* It would appear that the Messrs. Brogden had been misled by the title of the Bill?

*Mr. Cave:* Yes; and, as he had said, there would be no necessity for them to refer to the Act, as no disputes arose during the progress of the works. The fact that the 31st clause might be set up as a defence to Messrs. Brogden's claim was not brought under the notice of Mr. Travers until January, 1877. During January and February of that year some interviews appeared to have taken place between the Engineer-in-Chief and Mr. Henderson, but nothing came of them. On the 14th February, 1877, Mr. Reid replied to Mr. Travers' letters of the 31st January, 1877, as follows:—

Crown Law Office, Wellington, 14th February, 1877.

SIR,—

*The Government and the Messrs. Brogden.*

I have the honor to acknowledge receipt of your letter of the 31st ultimo respecting the submission to arbitration of Messrs. Brogden's claims against the Government, and, in reply, to inform you that the Government are prepared to adopt the course indicated in the letter above referred to. I think it will be more convenient that Mr. Henderson should meet the Engineer-in-Chief and settle the items in dispute before the claim is filed, and these gentlemen can arrange accordingly.

W. T. L. Travers, Esq., Solicitor, Wellington.

I have, &c.,

W. S. REID.