

The altered position of the Corporation is so self-evident, and your personal knowledge as a principal party in the negotiations with the Hon. Colonel Feilding will, I doubt not, remind you so clearly of the importance attached to the exceptional character of the immigration clauses, both by yourself in proposing and by Colonel Feilding in accepting the contract, that I need hardly do more than direct your attention to the matter to secure to the Corporation such a concession as may place it in a similar relative position to that which was contemplated at the time the contract was made.

I desire, however, to point out, for the information of those other members of the Government who are not so fully informed on this matter as yourself, in what way the Corporation suffers by the establishment of a free immigration scheme, and what are the chief grounds for urging that compensation should be granted as an equivalent to the special advantages intended to be given to the Corporation by the immigration clauses of its contract.

In the first place, I have no hesitation in affirming that, but for the exceptional immigration clauses, the price agreed to be paid for the land would not have been given.

The price of the land taken up by the Corporation is 15s. per acre, and as it was to do all internal surveys at its own expense, which are estimated to cost 5s. per acre, and to pay interest from 1st of May, 1873, on the purchase money of the whole block, a very large proportion of which cannot possibly be made available for five or six years, and not then, except by a large expenditure on roads, this price was really more than the market value of so large a block of inaccessible bush country. As a proof of this, I may mention that the upset price of Government lands in the same district, but open, immediately accessible, and surveyed into small blocks, was £1 per acre; that the price paid by the Hutt Small Farmers' Association for a block of 10,000 acres was £1 an acre, the block being the pick of the Manawatu, and it was subdivided at the expense of the Government into 200-acre blocks; also, that large blocks of land on deferred payments were sold at £1 an acre, without interest during the five years over which the payment was extended.

In the second place, the Corporation relied on its exceptional right to a free passage to enable it to select high class immigrants, and to recoup the expenses of collecting its immigrants in England and locating them in New Zealand, and it necessarily suffers a heavy loss by the alteration.

Under the contract while the immigrants of the Corporation were brought out free by the Government, it was optional with the Corporation what arrangements as to passage should be made between the Corporation and its people. While Government immigrants had to pay £8 cash, or £12 promissory note, for their passages, the Corporation was in a position to offer a cheaper passage than the Government, and yet make a charge sufficient to recoup itself the expenses of the English agency for the collection of immigrants; but now that the Government has established free immigration, and even defrays the cost of transit to the port of embarkation, and makes advances for ships' kit and outfit, it is manifest that the Corporation cannot make any charge without placing itself at a very great disadvantage in selecting its immigrants, and running risk of penalties for non-fulfilment of the immigration clauses of the contract.

In the third place, the prospects of the gain to the Corporation by the sale of its lands is not such as to enable it to bear the additional charge thus thrown upon them.

As I before pointed out, the original cost to the Corporation of its land is 15s. an acre. The cost of survey is estimated by the Chief Surveyor of Wellington at 5s. an acre. An expenditure of at least £8,000 per annum for five or six years (exclusive of the promised Provincial expenditure of £2,000 per annum) is contemplated by the Corporation, and is absolutely necessary to make the land accessible to small holders.

Thus with accumulated interest on purchase money and expenditure, the direct charges on the land will be at least 30s. per acre. To this has to be added the cost of management, the preliminary expenditure for the reception of immigrants (such as the erection of depôts, advances made for tools, and food for the immigrants while housing themselves, and before they can commence to earn wages), and many other charges, such as road rates and education rates, which are very heavy, and bring no compensating expenditure; and when all these unavoidable sources of expenditure are fairly taken into consideration, it will be apparent that the prospect of profit to the Corporation is very small, and, indeed, that without the greatest economy and care in the administration of the estate, a heavy loss would certainly result. I may also remark that the chief part of the outlay of the Corporation in collecting and making advances to their immigrants in England, and of locating them in the colony, represents an equivalent saving to the Government, which has to bear the whole cost in the case of its own immigrants.

I would, therefore, respectfully submit to the Government that, in respect to those immigrants who may be brought out in Government vessels, the Corporation should be allowed the sum of £8 per statute adult, which would practically be a return to the original position occupied by the Corporation with regard to its immigrants, by comparison with those introduced directly by the Government; and with regard to any immigrants of a superior class introduced by the Corporation and settled on its lands, and who shall have paid their own passages to the colony, that the Corporation should be allowed a rebate of £20 per statute adult in payment for land, on the fulfilment of the conditions of settlement set forth in "The Immigrants Land Act, 1873."

In conclusion, Sir, I desire to state that this appeal is made with the full knowledge that the Corporation is entirely in the hands of the Government in this matter.

It has already incurred too large an expenditure to be able to withdraw from the work it has undertaken, and it has now *en route* for the colony 400 statute adults with whom it must fulfil its engagements. The Corporation entirely relies on the *bona fides* of the Government to reinstate it in the position originally contemplated by the contract, which the action of the Government has disturbed, and which the Corporation deems it necessary to uphold as a matter of right and as an assistance in securing its shareholders against loss in an operation which, if successfully carried out, will be of great advantage to the colony, and will probably be only a preliminary to other similar and more extensive colonizing operations in other parts of the North Island of New Zealand.

I have, &c.,

A. FOLLETT HALCOMBE,

Agent, E. and C. Aid Corporation.

The Hon. the Premier, Wellington.