

had no advantage arising out of the immigration portion of its contract, but by being obliged to make conditions of settlement with its people, was heavily handicapped in the scramble to obtain immigrants, which immediately took place in England. Again, the rapid formation of the railway through the block was another point which weighed with the contracting parties, inducing the expectation that self-supporting settlement could be accomplished within the time arranged by the contract. It certainly was never contemplated by either party to the contract in 1871 that in June, 1877, another year would be required to complete the railway communication between the settled districts of Wanganui and Rangitikei, and the block. At present the block is quite inaccessible from that side, and, being inaccessible, there is no outlet for the timber of various descriptions, which settlers on the block must look to as their only available export for some years to come. When the contract was entered into it was also the expressed intention of the Government to form the railway line right through the block from end to end, and this work was looked to as affording employment for the Corporation immigrants for the first years of their settlement. Now, the formation of the portion between Bunnythorpe and the Manawatu Gorge, being nearly a third of the contemplated work, has been abandoned for an indefinite period. Again, in order to get access to the block at all, the Corporation has been forced to spend over £2,000 in the formation of roads through Native reserves and elsewhere, entirely outside the Corporation boundaries. It has also paid nearly another £2,000 in highway rates, without being able to get any return whatever for expenditure within the block. And, outside this money expenditure, some idea of the difficulties to be combated may be formed, when I state that for more than two years I was engaged in constant harassing negotiations with the Natives, even to acquire the right to make one of these roads, while the whole traffic of the settlement was going on during that time over hills and gullies axle-deep in mud. Again, the Government, through the Waste Lands Board, lately entered into a competition most injurious to the Corporation as retailers of land by the sale of the Kiwitea Block; and, though doubtless unintentionally, the way in which it was done was especially injurious to the Corporation's interests. For some weeks the Corporation had advertised an extensive sale of its lands; ten days before the appointed day a notice was advertised by the Waste Lands Board that this Kiwitea Block, lying on the Corporation boundaries, and made accessible by its roads, would be open for selection a few days after the date of the Corporation's sale. Now, the purchase-money payable to the Government, the accumulated interest, and the cost of survey bring up the prime cost of the Corporation land to fully 24s. an acre, and when to this is added the cost of road-work, and the other heavy charges in connection with the settlement, all of which have to be put upon the land, it is impossible for the Corporation to sell its lands without loss under £2 per acre. When, therefore, the Waste Lands Board offered land of equal quality with that of the Corporation in small sections, with roads partially formed, at the price of £1 per acre, to be paid by instalments extending over five years, without any interest charged on the unpaid balances, the natural consequence was that the demand for the Corporation land ceased entirely, and of the £22,000 worth of land offered for sale, only £20 worth was sold. Many intending purchasers, who had all but concluded arrangements to buy, preferring to wait for, and afterwards purchasing, the Government land.

In detailing these facts, I, of course, quite recognize that the Government of the colony has every right to do what it pleases with regard to immigration, railroad work, and sales of Crown lands; at the same time the Corporation has an equitable right to expect some consideration, where, by the action of the Government, and by no fault of its own, its colonizing operations are rendered more difficult or expensive, or where advantages certainly taken into account on both sides in making the contract have been subsequently taken away.

To show that the Corporation has so far, spite of many difficulties, honestly and effectively carried out its colonizing operations, I submit the accompanying statement of expenditure in New Zealand, and a memorandum of the road-work done by the Corporation both within and without the block. I also forward a map of the block, showing the progress and direction of roads and settlement. The whole of the work represented by these memoranda and accounts has been done out of the capital of the shareholders, aided by a small balance of profit on the land sales effected; and it is, I think, beyond question that the operations of the Corporation have been of a very great service in promoting the settlement of this part of the country.

The intention of the Corporation is, in case the Government agrees to entertain these proposals, to push on as rapidly as possible the formation of the roads necessary to open the block; and, believing that road-making and settlement are, in a country such as this, synonymous terms, it expects, by throwing the block open for sale to experienced colonists on the same terms it has offered to its own immigrants, that a far more satisfactory progress in the occupation and improvement of the country will be made than is possible while the Corporation is hampered with the present condition of its contract.

I have, &c.,

A. FOLLETT HALCOMBE,

Agent, E. and C. Aid Corporation (Limited).

The Hon. the Premier, Wellington.

MEMORANDUM OF EXPENDITURE, MANCHESTER BLOCK, to 31st May, 1877.

	£	s.	d.	£	s.	d.
Interest paid Government ... ..	...	...	...	10,123	9	5
Road Board rates ... ..	...	...	...	2,274	15	1
Survey ... ..	...	...	...	11,480	17	6
Road-work (exclusive of Government or Road Board payments)—						
Outside Block—						
Awahuri Road	1,759	5	11			
Feilding—Halcombe Road	365	12	6			
				2,124	18	5
Carried forward ... ..	...	...	...	26,004	0	5