

cultivable land. That only portions of the Mount Rochfort and Mount Frederic Coal Fields are conceded to the company, and those not the richest parts. That the seaboard conceded to the company is also very limited, and therefore it is proposed that the concession of land on the West Coast should be defined as to its north-west boundary by a line drawn from the summit of the Papahaua Range in a westerly direction down the left bank of the River to the Pacific. Also, that the Cobden Coal Field, which is marked somewhat ambiguously on the chart, should be included in the concession, subject to and respecting existing and vested interests therein and upon. That so large a population as would undoubtedly be required to be taken out from this country for the purpose, namely, about 2,000 labourers and artificers, including their wives and families, also a portion of the engineering staff, would require a separate department of municipal control. For this purpose it is proposed to place them under the charge of an officer of experience, who would be the sheriff of the new settlement, and act under the orders of the Superintendent of the Nelson Province.

That the name of the conceded district should be New Lancashire. That a small body of persons, including the engineer and the intended sheriff, should proceed at once to your Colony to complete and ratify the above and other necessary agreements, and obtain a more complete and accurate survey of the line of railroad, and the cost of the project, including the passage of these persons. That for this purpose a provisional board should be formed of gentlemen of means and high standing, who would guarantee the preliminary expenses. That, as such expenses would probably amount to a large sum, namely, £3,000, while a certain amount of risk would attend the enterprise, the Government of Nelson should grant a portion of fair land, of, say, 5,000 acres, as freehold to the gentlemen forming such board, in remuneration of such an outlay; and it is proposed, in order to stimulate both parties to the bargain, equally to complete the necessary details, and to proceed at once to the development of the enterprise, that the portion of land thus conceded should lie in the immediate neighbourhood of the town of Cobden, and the coal fields of that name, as marked upon the chart; and should consist for the most part of arable land, covered or not with bush or timber, as the case may be. Upon this land the directors would construct their farm, from which it would be equally politic and lucrative that the company should supply their population with its produce at a moderate rate. It is suggested that the portion of land marked in the chart should be conceded for this purpose.

From past experience it is feared that extravagant demands may be made on the part of the owners of land in Nelson, and it will be desirable to have a clear understanding as to these demands before commencing the undertaking.

I wish also to call the attention of the proper authorities to one or two grave and important discrepancies in the papers and plans with which you have been so kind as to furnish me.

In paragraph 4 of the Nelson and Cobden Railway Act, it is stated that "When the whole of the railway shall have been made, and the completion thereof certified, as hereinbefore provided, it shall be lawful for the Governor to execute a grant or lease of the railway to the person constructing the same, for such estate and upon such terms and conditions as in such contract shall be specified;" while in the latter part of paragraph 6 of the official letter of the Superintendent of the Nelson Province (Mr. Oswald Curtis) to yourself, it is stated that "line will remain the property of the Company constructing it." I conclude that the latter statement is sufficient authority to warrant the provisional Board of Directors founding a statement upon it for the public of this country, and shall be glad to hear from you that such is the case.

It is observed also that the Cobden Coal Field, the development of which will be doubtless one of the chief objects of the Company, is coloured in such manner as to leave it doubtful whether it is sold land or not. If it be sold, it will be necessary to enlist the sympathy and interests of the proprietors in the railway scheme, by their becoming shareholders.

Another important discrepancy is observable in the chart of the concession, wherein the town of Westport is marked as if it were on the left bank of the river, and not at the mouth of that river; whereas the detailed plans show it in what is concluded to be its proper position, viz., on the right bank and at the mouth of the river. Information on this point is required.

The remarks which I have before made with regard to the purchase of lands in Nelson apply equally to Westport and Cobden.

Pending detailed replies to the above queries, which I hope will be satisfactorily answered by the Nelson Government, I am, by the advice and with the assistance of two or three gentlemen of experience, preparing a preliminary prospectus, based upon the terms of the letter of Mr. Oswald Curtis, and the printed reports furnished to me by you. When completed this prospectus will be laid by us before some of the noblemen and gentlemen named in my original letter of the 5th instant, and their consent asked to their constituting themselves into a provisional board of direction, for the purpose of taking the necessary steps towards the launching of the enterprise and inviting the support of the public. I may here incidentally remark that the sum named by Mr. Wrigg is considered by all whom I have consulted as far too low, and that the necessary capital for the undertaking must be more than double that named by him, viz., £2,000,000 instead of £1,000,000. In the rough draft of the mode in which this enterprise would be best developed, according to the opinion of those whom I have consulted, I would briefly name the following salient features as essential to its success:—

That a board of management should be formed in your Colony, acting in harmony with the London Board, a fair portion of the shares being taken up in your Colony.

That at least two Directors of the London Board should be gentlemen who are conversant with the affairs of your Colony.

That, as far as possible, the whole of the employees on the railroad should be shareholders, and therefore interested in the economy of its construction.

That they should receive grants of land out of the concession from the company on the completion of the railway.

That their provisioning should be undertaken by the company.

That the amount of their salaries and those of the Directors should depend as much as possible on the rapidity with which the railway is completed, due regard being also paid to its stability.