

which Messrs. Brogden proposed to enter—but which was not carried out—really amounted to this: that, except in respect to a short railway to the coal mine, they were to take three years to examine into the character of the country, or, in Colonial phrase, to “prospect” it; and that, at the end of three years, they were to be at liberty to decline to proceed further in the matter, in which event they were to be compensated for the expense to which they had been put, by being allowed to select 5,000 acres of land free of cost. So that, in reality, what the Nelson Railway agreement would have effected would have been this:—Messrs. Brogden would have incurred the outlay necessary for examining and surveying the country through which the railway was to pass, they having three years for the purpose; and in the event of their concluding that it was not worth their while to proceed with the works, they were to be recouped their expenses by a free grant of 5,000 acres of land. Thus, although the arrangement might have led to the construction of the railway for land grants only, it would not have done so unless Messrs. Brogden became satisfied that the land they would receive was specially valuable on account of minerals; and therefore the agreement was not of a character to come within the ordinary meaning of the phrase, “Railway to be constructed under land-grant system.” I am not taking any exception to the proposed arrangement. On the contrary, it was devised with much care, and would in any case have led to the opening of the Brunner mine. No doubt, railways have been, and are being, constructed under a system of land grants in other parts of the world; but in such cases the land subsidies given are enormous, the contractors are unfettered as to the character of the railways to be constructed, and considerable grants of money are indirectly obtained.

I am doubtful whether the extent of land available in New Zealand is sufficient to place the Colony in the position of obtaining the construction of railways for land grants only; although I do not doubt that such portions of land as can be spared for the purpose may be employed as useful adjuncts in obtaining the railways we require.

#### ENGINEER.

In pursuance of instructions received from the Government, I have, as already reported, engaged as Engineer, Mr. John Carruthers. The engagement will, I think, be satisfactory to the Colony; but in the event of its proving otherwise, the cost of rescinding the engagement will not be very serious. Mr. Carruthers was very highly recommended; and I have no doubt that his services will be found most valuable.

#### RAILWAY PLANT AND MATERIALS FOR CANTERBURY.—THE WAITAKI BRIDGE.

In obedience to instructions received from New Zealand, I arranged with Mr. Ottywell to procure and ship certain specified plant and materials for the Canterbury railways, and materials for commencing the bridge over the Waitaki.

I was directed to avail myself of the services of Mr. G. W. Hemans, C.E., in the preparation of specifications and approval of tenders, that gentleman having for some time acted in a similar capacity on behalf of the Canterbury Government. On his urgent recommendation, I approved of modifications in the dimensions of some of the girders of the bridge.

Mr. Hemans had previously charged the Canterbury Government  $2\frac{1}{2}$  per cent on the price of the materials approved; but I arranged with him to reduce his commission, in the present case, to 2 per cent. He has further agreed that should the Colonial Government appoint him to act for the Colony generally in a similar capacity, his commission shall be only  $1\frac{1}{2}$  per cent.

Mr. Hemans is held to be eminent in his profession; and as I had to name some one to approve of plant and material to the value of £25,000, which Messrs. Brogden and Sons propose at once to ship for the Colony, I named Mr. Hemans. He is to make a charge of  $1\frac{1}{2}$  per cent. for this service.

It remains for the Government to decide whether or not they will permanently employ Mr. Hemans, or will select some other engineer. I will only add that, for a gentleman holding such a position as that which Mr. Hemans holds, the charge of  $1\frac{1}{2}$  per cent. is very reasonable.

#### EMIGRATION.

In the absence of any agreements with the Provincial Governments, I did not feel that I was able to enter into any specific arrangements for forwarding emigrants from Great Britain, beyond those which I was empowered to make on behalf of the Canterbury Government, the instructions from the Colony concerning which I faithfully carried out. I concluded arrangements for shipping emigrants in the numbers and at the dates specified, and I also arranged that the necessary funds should be forthcoming.

I left for the consideration of Dr. Featherston applications from several hundred Germans, which Mr. John Douglas, the late Agent-General for Queensland, kindly enabled me to obtain from the German Agent, Mr. Kirchner.

A condition of one of the agreements with Messrs. Brogden provides for the introduction to the Colony of 10,000 immigrants. I should very gladly have seen that number largely increased, convinced as I am that the keystone of success of the Public Works policy is the contemporaneous increase of the population of the Colony. Indeed, so much is this the case, that the Government will do well to consider whether they should not seek a more unfettered discretion in the matter than they at present possess.

Whilst on the subject of Immigration, I may refer to the arrangement I made with Colonel the Hon. W. Fielding, before his departure for Queensland, respecting which I have already advised you; and in terms of which, that gentleman, on the wish of the Government being expressed that he should do so, will visit New Zealand, with the view of arranging for special settlements, and otherwise promoting emigration to the Colony, on behalf of the Emigrants and Colonists' Aid Corporation, which company has entrusted to him the fullest discretion.