

(c.) I must here affirm that I was guided in my selection of this block by the assurance of the Government that the railway line would be completed, and as far as possible by the employment thereon of the immigrants of the Corporation.

2. It is therefore requested, as an inducement or an equivalent for the cancelling of clause 22, a Ministerial assurance may be given to the effect that the completion of the railway work through the Manchester Block may be placed in the hands of the Corporation, the contracts for the execution of such work being based on the prices ruling in the North Island for the time being.

3. My reason for requesting this assurance from the Government is that I may be able to afford proof to my co-directors of the possibility to carry out, as hitherto, the successful operation of the settlement of the immigrants within the limits of the block.

I would therefore ask that, so soon as the drawings, &c., for the remainder of the Oroua and Rangitikei contract are completed, the execution of the work may be handed over to the Corporation; the remaining portions of the main line, viz. from the Bunnythorpe Junction through the Gorge, being indefinitely postponed till such time as may be convenient to the Government.

G—I wish also to assure the Government that their interests in almost every detail of the working out of this scheme are identical with those of the Corporation.

H—I would submit that this Corporation is entitled to especially favourable consideration, for the following reasons:—

1. That the granting of free passages to all Government immigrants almost immediately after the granting of the monopoly of such concession to the Corporation very materially reduced the value of the contract, not only to the extent of the £30,000 involved, but also by the increase in the cost of agency and selection of emigrants due to the competition into which the Corporation was thrown with the Agent-General.

2. That, owing to the delay in the opening of the Foxton-Palmerston Tramway, the Corporation was at the very outset compelled constantly to postpone the date of departure of their pioneer party, thus engendering in their minds, as well as in those of the collecting agents, a doubt as to the capability of the Board to carry out the emigration clauses of the contract.

3. That, owing to a misunderstanding between the General and Provincial Governments, a portion of the capital of the Corporation was locked up from the very beginning by the retention of a really unnecessary guarantee. By this action a feeling of suspicion was aroused in the minds of the shareholders and others in England, as well as in this colony, as to whether or not the Government desired the operations of the Corporation to succeed.

4. Up to the present moment this guarantee, although ridiculously small in its actual amount as compared with the actual expenditure of the Corporation, is still retained.

I must, however, acknowledge that the General Government have, as far as they have been able, acted with great liberality, and have not only personally to myself, but also to Mr. Halcombe, always shown a sincere desire to afford all assistance in their power.

W. FEILDING, Colonel,

Attorney for the E. and C. Aid Corporation (Limited) in Australasia.

Enclosure B.

STATEMENT of EXPENDITURE in New Zealand by the Emigrants and Colonists' Aid Corporation up to 31st December, 1874.

	£	s.	d.
Interest paid to Government and on loans	4,796	1	3
Paid to Government for land purchase, exclusive of the money still retained as guarantee fund	7,500	0	0
Paid to Government for other land since sold	1,350	0	0
Rates, road, and education (1)	993	0	0
Contribution to school building	98	0	0
Expenditure in roads and tramways, exclusive of the sums contributed from public sources	2,739	4	4½
Railway formation expenditure (2)	£1,945	0	0
Less refund	1,091	15	2
	853	4	10
Cottage expenditure (3)	£3,124	5	11½
Less refund	883	10	7
	2,240	15	4½
Immigration dépôt at Palmerston	385	13	7
Sundry buildings at Feilding and Palmerston	570	1	6
Transit of immigrants from Palmerston to place of settlement, expenditure (1)	£607	8	4½
	339	17	9
	267	10	7½
Carried forward	21,793	11	6½

(1) The large cost of the transit of the immigrants for the thirteen miles between Palmerston and Feilding is due to the fact that, of the £662 paid in road rates, not one penny has been spent by the Board towards the formation of any road or other means of communication between Feilding and the main road to Palmerston; and as the Corporation does not possess an acre of land between that road and its boundary, it has to convey its immigrants over five miles of trackless land. The entire closing of the main road last winter by the action of Macdonald and the Maoris cost the Corporation several hundred pounds.

(2) This represents only a temporary expenditure, inasmuch as on the completion of the railway contract the 20 per cent. and other sums retained as guarantee will be paid up.

(3) These items have been largely added to since December 31st, as the cottages are being erected at the average of from five to six cottages per week.