## 4. General Observations on the Subject.

No practical test of the labour requirements of the North Island having yet been applied, I am unable to speak positively on this point. Such labour as has arrived has been readily absorbed; and to carry out the public works projected, a large addition to the population will be requisite. There is a very general demand for female servants. It is also most desirable to promote special settlements of a class of persons able to employ themselves, or to hire labour.

Special settlement by companies or individuals responsible for the selection, location, and employment of the immigrants they introduce, is, under the present circumstances of the North Island, the most satisfactory form under which colonization can be carried on. Not only is a foreign agency thereby established which has a direct interest in sending out the best class of immigrants, but the Colony is relieved of much trouble and risk attending the settlement of immigrants dependent on

the Government for employment.

I assume the "Feilding purchase" to be a type of what a special settlement arrangement should be, to offer a fair prospect of financial success on the one side, and a guarantee to the Colony on the other side that its requirements should be met. Divested of detail, this arrangement resolves itself into a gift to the Corporation of 100,000 acres of land, on condition of its being opened by a good road and settled within five years with a population drawn from outside the Colony numbering at least 2,000 adults. For although the Corporation pays £75,000 for the land, a direct return of £30,000 is made for passages of the Corporation's immigrants, and the road lines through the block to be made by the Colony will cost the greater part of the balance of the purchase money.

Viewed in this light, the transaction should be a profitable one to both parties. The colonizing company makes use of the power to grant free passages in order to sell its land to advantage, and the road work helps to employ its earlier settlers; while the Colony can look forward to an early and constantly increasing return in the shape of revenue from the imports and exports of the new settlers.

constantly increasing return in the shape of revenue from the imports and exports of the new settlers. If any apology is necessary for me in making these remarks, it is to be found in the importance the question assumes when it is considered that the blocks of Native land now under negotiation for purchase by the Government, and likely to be from time to time falling into their hands, will certainly, for many years to come, offer opportunities quite as favourable as those presented by this Manawatu block for many similar operations; and as the Feilding contract, if performed, will do in five years what it has taken twenty years to accomplish in the neighbouring district of Rangitikei by the ordinary process of colonization, it is evident that judicious forcing by means of colonizing companies bringing foreign capital to the work, is worthy of every encouragement.

As regards the special settlements in connection with road works, though they certainly entail greater trouble upon the Government than either the nominated immigration or the special settlement by colonizing companies, they are nevertheless a most important branch of the present colonizing

operations.

Hitherto the capital employed upon road works in new districts has generally fallen into the hands of men who left the locality so soon as the road was made. By such settlements as are now being made in the Seventy-Mile Bush, capital so expended is made the means of fixing the workmen upon the soil. A large portion of the earnings of the workmen will return to the Treasury either in the form of passage money repaid, or in moneys paid for the purchase of land, should the immigrants avail themselves of the right to buy the blocks upon which they are placed. The presence of small groups of labourers' families will moreover be a great encouragement to the employer of labour to take up the adjoining lands for agricultural or other industries which cannot be carried on without the occasional employment of a considerable number of hands.

The Scandinavian settlements at Palmerston, Manawatu, were the first experiments in this mode of colonization. The result already produced gives fair promise of success, notwithstanding that these people had exceptional difficulties to contend with. It is less than eighteen months since the first party was taken up there. At that time there was no sign of settlement in their neighbourhood. The land on which they were placed was dense bush. Their first winter was the wettest ever known. For many months the only road leading to their location was impassable, and the only means of transport was by canoe, at great risk, and at the cost of £7 10s. per ton from Foxton or £9 from Wellington. Yet now these people are, without exception, well satisfied and hopeful of their future. The married people, with only four or five exceptions, have built themselves good and neatly finished weatherboard houses, many with brick chimneys. Most of them have cleared small patches of ground, and they are now beginning to fall the bush extensively. Thirty-five out of fifty have already paid the first instalment of the purchase money of their land, at least ten more will do so next pay day, and 40 per cent. of the advances made by the Government has already been repaid. Considering the difficulties, more has, in my opinion, been done by these people than could have been expected, and a very valuable nucleus of a future population has been fixed upon the soil.

I augur well from this of the success of other settlements, where the same difficulties will not have to be encountered; but it is essential to that success that a large proportion of the people should be family men, for even with the same opportunities of earning money, and with much fewer demands upon their purse, the single men are not nearly as successful colonists; and whatever amounts may be expended on roads in a new country, it would be the means of fixing a far larger population, if earned by family men, than if thrown into the hands of workmen who have no family ties to bind them to

any particular locality.

I have, &c.,
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