

price of £10, equal to £42 in all. By a payment of 7s. per week the immigrant makes cottage and ground his freehold property in three years. If during that time he may wish to buy it outright, or if he desire to remove to a country section, a sum equal to 3s. 6d. per week during the time of his occupancy is deducted as rental, and the balance goes in part liquidation of the purchase money, or in part payment for the erection of another house on the country section.

I have every reason to be satisfied with the results of this arrangement. The immigrant gains in immediate comfort for himself and his family, and in employing himself in profitable instead of unprofitable work, while the Corporation gains by his contentment and by remunerative investment of capital.

I have no fear that the towns will be overbuilt. As one occupant leaves a cottage, a newly arrived immigrant can be placed in it; and I have found, as the result of my experience in New Zealand, that the great difficulty in locating family men in country districts is the want of house-room for them, and therefore that houses, where available, attract population.

With a few exceptions, chiefly of those artisans for whom no suitable work could be found on the block, all the immigrants sent out by my Corporation have proceeded to the settlement. I think this is satisfactory, as I do not make any attempt to coerce them, not wishing to have unwilling hands. Most of them are doing very well, and at the last pay-day many had paid all their debts to the Corporation, and the weekly charge on their cottages up to date; and I think all, or very nearly all, are satisfied with their position and prospects.

As to the class of immigrants sent out—they have been hitherto all labouring men, and I am on the whole well satisfied with them. There is, however, as is likely to be the case even with the most careful selection, a small percentage of people whom I would rather not have to deal with, and who are a source of anxiety to me. But even as to these I am very hopeful, for I find that the sense of present possession of a house and land, and the prospect of an independent future for himself and his family which is here opened out to a man, have generally a great effect upon his character; and the labourer who in England merely worked for the Saturday night and began the world again on Monday morning, devotes himself to the accumulation of property, and is rapidly transformed into a careful and thrifty citizen.

The series of sketches which accompany this report, show to some extent the progress of the settlement; and when it is remembered that at the end of January, little more than six months ago, the surveyors' tents were the only signs of life or work upon the place, we may, I think, claim credit for the progress made.

Fifty immigrants' cottages and several other weather-board buildings have been erected in that time at the Corporation's expense. The road lines in and about the town of Feilding, mostly through bush, have been cleared for a total length of ten miles. Three miles of road and two miles of tramway have been formed. Nearly two miles of the road formation has been metalled, and several small bridges have been erected. A large school and schoolmaster's house is in course of building, and the immigrants' cottages are being rapidly proceeded with. One saw-mill has been at work for the Corporation for the last three months; a second mill will be completed in a week or two, and the demand for timber for house building and other purposes, is so great already that I shall probably have to run the mills night and day to meet the requirements. I consider that the first difficulties of starting so great an undertaking have now been overcome, and I confidently expect a great success as the result of our operations.

The immigrants will now, under a proposed arrangement with the Hon. the Minister for Public Works, be chiefly employed in the formation of the railway line from Feilding towards Foxton, with the view of the completion of railway communication between Feilding and the port of Foxton within about eighteen months' time; and, simultaneously, it will be my endeavour to open up the Oroua Valley by a road and tramway line northwards from Feilding up the Kimbolton Road, anticipating the establishment of a timber trade so soon as railway communication shall be established with Foxton—a trade the extent of which will be limited only by the capacity of the shipping at Foxton to carry the timber away.

While on this subject, I may observe that I look upon the timber of the Corporation's block as a far more valuable crop than the land will ever hereafter at one time carry, and one which, if properly worked when the means of carriage to Foxton and Wanganui by railway shall be established, will be a source of very large revenue to the Corporation, besides being the means of employing a numerous population for many years to come. I may also state for your information, that the tramway which I propose building up the Oroua Valley to the northern boundary of the Manchester Block is but the first step towards tapping the almost inexhaustible forests of timber which stretch, as far as the eye can reach, for many miles beyond on either side.

As to the general plan of our future operations, I gladly take advantage of this opportunity to explain it authoritatively, so far as the scheme has been matured.

We propose to settle the block from three main points—

- (1.) From the town of Feilding, which is the natural centre of our block, and which is, I think, likely to be the chief town of the Manawatu district.
- (2.) From a town which will shortly be laid off on the railway line near the Rangitikei River, which will, by desire of my directory, be called Halcombe.
- (3.) From a town, also on the main railway line, somewhere near the gorge of the Manawatu.

The order in which these places will be settled must depend chiefly on the direction in which the railway formation shall be carried on. So far as I am able to judge, the completion of the line to Wanganui from Feilding must naturally follow the completion of the line to Foxton, so that the Rangitikei end of the block will be next operated on, leaving the Gorge end until the junction with the Wellington and Napier lines through the Manawatu Gorge shall be taken in hand.

It is the intention to deal with the land at the rate of about 20,000 acres per annum, if that is compatible with a due regard to the utilization of the masses of timber upon it.

The lands will be surveyed into town allotments of from a quarter-acre to one acre each; suburban allotments of from five acres to twenty acres; and country sections from forty acres to 2,000