

tried a far more satisfactory return for the labour expended on it. This has been the means of reviving the hopes of the occupants, and they confidently anticipate, with the aid of a little work from the Government for a time, to ultimately establish themselves in a comfortable position.

On the north bank the settlers are much more comfortably housed, and more progress has been made in getting the land into cultivation; but this is attributable to the circumstance of their being located on the land they occupy from the first; and, although some of it is not very suitable for the occupation of men whose living will have mainly to depend on the crops they can raise, this portion of the district has a more attractive appearance at present than the part situated on the south bank.

I append a return by which it will be seen that the aggregate population of the settlement numbers 193, and of these, 91 are children for whom it is desirable that some arrangements should be made to place education within their reach; but it is very difficult at the present time, owing to the absence of roads and other facilities of getting about, to devise a satisfactory plan that would answer the requirements of the settlers on each side of the river. As matters are now situated, there are 52 children on the North Karamea and 39 in the South, and the two districts are divided by a rapid and dangerous river, an obstacle that would deter the children from attending one common school. The only feasible plan that presents itself under the circumstances is to erect two schools for the purpose, and require the teacher to attend three days a week at each. The buildings need not be of an expensive character, so long as they are made snug and warm, and of sufficient dimensions to accommodate the children who attend. This is a matter that will no doubt receive the attention of the Education Board at Nelson; but it seemed desirable to draw attention to the necessities of the case, as the settlers are very anxious to obtain education for their children: moreover, it was one of the conditions of settlement that as soon as practicable a school should be established.

Besides the special settlers included in the return, there are a few persons in the district engaged in mining pursuits, who, with their families, make a further addition of 25 to the population of the district, or a total of 218.

The approximate number of acres in cultivation and in course of being cleared within the settlement is 181; this, however, does not include the land in the South Terrace, that has had to be abandoned.

The settlers own amongst them 228 head of cattle and 108 pigs, but of the former, 100 head belong to one person.

Concerning the future prospects of the settlement, very little information can at present be afforded. One great obstacle to its success is, as far as is yet known, that it does not possess any resources of its own, consequently the settlers will have to rely entirely for a living on what they can raise off their land, or on extraneous aid, without a payable gold field should be discovered in the neighbourhood. The extent of the available land in the district has been variously estimated at from 20,000 to 60,000 acres, but at the time this estimate was made very little was known of the character of the soil. From information now received from the District Surveyor, it would seem that, out of a district originally computed to contain a large area of suitable land, there is only about 4,000 acres that come within that category, the bulk of the country being composed of poor terrace and sandy land, interspersed with impenetrable bogs and lagoons.

The district, although a timbered one, contains very little timber fit for sawing, and none that would attract a person of capital to erect a mill.

No minerals have as yet been discovered, with the exception of gold, and that only in small patches.

Although the settlement, owing to the numerous drawbacks to be contended against, cannot be considered a success, one fact must not be lost sight of—that it has been the means of establishing a centre of population at a place which under ordinary circumstances would probably not have been peopled till a remote period; and, though no immediate results have been attained, it will be the means of enabling miners and others to prospect the alluvial country believed to exist in the interior with less risk of starvation than they were formerly exposed to, and will no doubt also ultimately lead to the location of settlers at suitable places along other parts of the coast.

The total cost of the settlement from the commencement to the 30th December, 1876, amounts to £11,199 8s. 8d. I purposed analyzing the expenditure under the several heads enumerated in Appendix D. 1, if time had permitted, but, owing to being unexpectedly required to come to Wellington immediately on my return to Nelson, I had not the opportunity of obtaining the necessary data to do so, but can supply the information in a supplementary report, should it be deemed desirable.

A large proportion of the expenditure has been incurred in forming an inland track between Little Wanganui and Mokihinui to connect the settlement with Westport. The aggregate cost of this work, including survey and exploration, amounts to £7,500, and the length of road formed is 18 miles.

The completion of this track facilitates communication with Westport, and makes it possible, in event of serious accident or illness, to obtain medical assistance more readily than by the track at present used along the coast. It will also enable the settlers in cases of emergency to obtain supplies from Mokihinui, or to drive their stock to market when their cattle increase. Before the track was formed the district was practically unapproachable by land from Mokihinui, the nearest place of communication with Westport, except by travelling along a difficult coast line of 16 miles at considerable risk and the exercise of a large amount of physical endurance, the track used being impracticable to any one but pedestrians, and those only of a class well inured to rough travelling.

Besides rendering the Karamea and the country north of it accessible by land, the formation of the track afforded employment for the settlers, and enabled them to earn sufficient means to procure provisions and other necessaries while engaged in establishing their homes in a district where no other opportunities were available of obtaining a livelihood.

A small expenditure is now required to make this track available for summer use in clearing the slips and repairing two or three culverts and boggy places. A sum of £60 or £100 would probably be sufficient.

It is highly desirable, before the support accorded to the settlement by the Government is entirely withdrawn, that the assistance already afforded should be supplemented by a further expenditure for