

*Mr. O'Connor* stated that the settlers at this time were in the habit of reading retail quotations in Nelson papers, which prices were often erroneous.

*Witness* said he had on many occasions been denied the use of the Government boat for no apparent reason.

*Mr. O'Connor* explained that there was only one boat, and the use of it was given to those who urgently needed it; but there being 60 families it was impossible that all could get it, and the settlers were recommended to build canoes for their own use.

*Witness* said he had lost many days' work in waiting for the use of the boat. Concerning stores, witness said that on one occasion he bought 20 lbs. of meat at the store, 16 lbs. of which was knuckle bones; put it in the pickle tub. Work had been given him, his son, and son-in-law, on the Mokihinui track; had earned perhaps over £567. Their joint earnings were put to his credit at the store, as *Mr. O'Connor* would not recognize them as three distinct settlers. He had received no work since June, 1876, except some very small jobs.

*Mr. O'Connor* pointed out that Scarlett had done  $3\frac{1}{2}$  chains of road work in March last, and  $18\frac{1}{2}$  days' work since.

*Witness* explained that the work had been done by his son. The earnings of himself and two sons for three years aggregated £600. His family comprised ten members. In July last he was indebted at Dolphin's store to the amount of £24, but his credit was not stopped till the 28th July. This was done to require him to pay the amount due, but this he could not do, as work had only been given to one of his family. *Mr. O'Connor* had not informed the settlers, at a meeting held in January last, that, from that date up to September, work sufficient only to keep families in bare necessaries would be given to heads of families.

*Mr. O'Connor* explained that a meeting was held in January, at which the settlers were informed, under instructions from the Government, that only bare necessaries could be given up to the ensuing month of September now current.

*Witness* said that *Mr. O'Connor* had made repeated and fair-spoken promises to assist him with work to get out of debt, but he had not fulfilled them. Never heard him state that Government intended to close the store. Since the store had been in private hands the price of flour had been raised, and the weight had been short in some instances, owing to the bags being gnawed by rats. Had to take the flour as it was, being told "to take it or leave it." Two bottles of spirits had been given his family from the store, and afterwards a smaller quantity was given when his wife was ill. In the distribution of labour some had obtained more work than others. Declined to mention names. Daily earnings have been from 10s. to 15s. when at work. On some occasions he may have earned on the road contracts nearly 20s. per day, and his sons nearly as much; but this was by working sixteen hours a day. Understood that a steamer would call every month; never heard that this arrangement would cease after a time. Complained that postage stamps had not been obtainable regularly at the store, and even when stamps were in stock, the settlers could not get them without cash; this led to the despatch of letters being delayed sometimes two or three months. Had had a small quantity of produce for sale if a boat had called at the port. Cows have been sold at £13. His son had been offered cattle at the Moutere, near Nelson, for £5 and £6, quite equal to those sold at Karamea for £16.

*R. Johnson, jun.*, claimed to be a special settler, though his name was not on the original list. Had earned £60 on survey work, and had passed it to the credit of his father's account at the store, besides other small sums. Had given notice that such arrangement had since ceased. Was now a holder of land, and had a house of his own, though not the head of a family at the time the arrangement was made by the Government, under which his father and others came as special settlers to the Karamea. Concerning the price of stores—two years ago, flour selling at £13 10s. per ton in Nelson was charged here at £20 per ton. The settlers were informed by *Mr. O'Connor*, when the Government store was closed, that any surplus profits made over cost of goods would be divided among them, and that if the store was closed before September, flour, tea, and sugar would be sold them on the wharf from the steamer, and for other stores they would have to deal with Dolphin.

*Mr. O'Connor* stated, with reference to *Johnson's* assertion *re* stores, that no promise of the kind was made. A suggestion of the kind by him was overruled by the Government. Just before the store was sold the settlers were supplied with three months' provisions.

*Witness* said that the goods were sent down at Government expense, part only sold to the settlers, and the rest to Dolphin at cost price, and he retailed the goods afterwards at a much higher price. These goods were brought down by the "Wallace." Was present at a meeting when *Mr. O'Connor* intimated that the store would be sold, but the time of sale and price expected was not mentioned.

*Mr. O'Connor* explained that the little store on the wharf was kept for the purpose of storing goods, flour, tea, and sugar, in case any were sent down by the Government.

*Witness* said that a 7-foot saw sold him at the store two years ago was charged at 32s. 6d.; the price on the store list were 25s. and 27s. 6d. At the opening of the settlement the settlers were promised potatoes, oats, and rye-grass seed should be given each head of family. They received these things, but were charged for them.

*Mr. O'Connor* stated that each settler got gratuitous assistance to put up his house, but no instructions were given him to distribute parcels of seeds gratuitously.

*Witness* said that himself, father, and brother had earned together about £400 since the opening of the settlement. Had also had work on the survey, and earned £4. Himself and brother had earned £16 from *Mr. Marchant*, the geodesical surveyor. His brother purchased clothes with his share of the money. He claimed the privileges of a special settler, and complained that such claim had not been recognized. His father now owned five head of cattle (cows and calves). Had half an acre ready for crops and  $1\frac{1}{2}$  acres newly felled. Could testify that work at the track had been given regularly to men there, but when witness and his father asked for some they were refused. Witness had at that time been earning money on the survey. Had earned £23 10s. in that way since May last.