

a time, to give the settlers a fair chance of establishing themselves in a comparatively independent position. Owing to the circumstance of many of these people having to commence afresh in consequence of having had to abandon their first holdings through the unsuitable character of the soil, it has placed them in an unfortunate position; and, if some assistance is not afforded them, they will be compelled in all probability to leave the district. There are others also in the settlement who need further assistance to establish themselves comfortably.

An expenditure of a few hundred pounds in opening up some additional tracks in the district to facilitate the means of getting about, coupled with the amount that will have to be spent on surveys, will give the settlers a fair chance of getting over the difficulties that will have to be contended with before they can dispose of their present season's crops.

The County Council also will probably expend the amount received from rates levied in the district, inclusive of the subsidy payable by the Government, which, in addition to the expenditure recommended above, will possibly suffice to tide the settlement over its present necessities.

It is desirable also that a small sum should be devoted, out of the bonus proposed to be expended in aid of gold discoverers, to assist in prospecting the Karamea District. The principal drawback at the present time is the difficulty experienced by exploring parties in the want of facilities for getting about, which precludes the possibility of obtaining a stock of provisions to enable a continuous search being made. Many of the tributaries of the Karamea are known to be auriferous, especially the streams that culminate at that part of the river known as the Karamea basin. This part of the river is at present inaccessible, owing to the precipitous character of the country to the eastward of the portion now occupied by the settlers. It would be impossible, from all accounts received of the character of the country, to make a track along this part of the river excepting at a great cost, and the stream is too rapid to admit of canoes being used for the transport of passengers and provisions.

An idea prevails that it would be possible to reach the Upper Karamea by a route believed to exist to the southward of the range that forms the valley through which that river has its course, by starting from behind the land now occupied on the south bank and travelling in a south-easterly direction. A short exploration in that direction would soon determine this, and, if a road should be discovered, a special benefit will be conferred on the district in affording a means of ultimately connecting it with the settled districts on the eastern side of the Mount Arthur Range. An available track is known to exist from the Upper Karamea by way of the Wangapeka to the Waimeas, and it only requires an exploration in the direction indicated to determine whether it is possible to connect the remaining distance with the coast.

The discovery of a payable gold field at the Karamea is the only thing that will give the place an impetus, and enable the settlers to dispose of their produce in a near market, in place of having to send it to Westport or elsewhere, with the risk of having to compete with other producers.

As a means of enabling the settlers to dispose of their produce, and also to obtain supplies from either Nelson or Westport, it is highly important that a steamer should be subsidized, to call at least once a month, or once in six weeks at the furthest, from one of these places, to establish a communication between the settlement and other ports. Westport is the nearest and most accessible port, and, apart from the difficulty of steamers from Nelson making regular trips there, the settlers would be able to dispose of their produce more advantageously in the Westport market than in Nelson.

One point the settlers were very anxious to be assured on was the position they stood in with regard to the land they had taken up under the special-settlement scheme. According to the terms contained in the prospectus of the settlement, any person considered to be eligible as a special settler was to be allowed at least fifty acres of land at an annual rental of 2s. per acre for fourteen years, and at the expiration of that time, provided the rent was paid punctually, the leaseholder, without further payment, would be entitled to a Crown grant of the land. From information received from Mr. O'Connor, it would seem that applications have been lodged with the Waste Lands Board at Nelson on behalf of the settlers, under the 75th section of "The Nelson Waste Lands Act, 1874," which provides for the issue of grants to persons applying to occupy land in conformity with the provisions of this clause.

I do not offer any suggestions for the future administration of the affairs of the settlement, as I presume it is the intention of the Government to hand it over to the control of the local authorities as soon as the settlers have fairly established themselves.

Attached is a plan showing the original and present location of the settlers, the lines of road made, and those proposed to be made to give better facilities of communication to the settlers on each side of the river.

Amongst the works needed is a drain along the Pakihi Road, which is impassable without one. A drain is also needed along the road line abutting sections 72 to 96. This work, if undertaken, will assist in draining a large swamp suitable for occupation, besides forming a line of communication between the Pakihi Road and the North Terrace Road. A road is also needed along sections 35 and 40, and by the dotted line across sections 54, 1, 2, and 3 to the next cross road, and from thence up to the river, to afford a means for the settlers in that locality and on the south bank to communicate with other parts of the settlement without interruption by floods.

Should the Government decide upon making any further expenditure to assist the settlers to tide over their present difficulties, it would perhaps be desirable, to insure that every one received a fair share, to place the supervision of the work under a competent overseer, who should be intrusted to ascertain the names of such of the settlers who absolutely need pecuniary assistance, and divide the work amongst them respectively, according to their necessities.

The following papers in connection with the inquiry are attached, viz.,—

- A. Commentary on the evidence taken at the inquiry.
- B. Notes of proceedings and evidence.
- C. Return of population.
- D. Returns of settlers employed on public works, &c., showing the amounts earned by each respectively.

The Under Secretary for Immigration.

I have, &c.,  
ALEXANDER MACKAY, Commissioner.