D.—7.

Flour (Christchurch), 24s. per 100 lbs.; tea, per box of 12 lbs., 34s., 2s. 9d. per lb.; sugar (Company's) per bag, 6d. per lb.; oatmeal, 24s. per 100 lbs.

The same goods are quoted at Westport as follows, namely: Flour per 100 lbs., 22s. to 25s;

tea, per lb., 3s. to 3s. 6d.; sugar, per lb., 5d. to 6d.; oatmeal, per lb., 4d.

The prices charged on retail for credit on the same goods at Karamea are—Flour, per 100 lbs.,

**22s.** to **26s.**; tea, per lb., 3s. to 3s. 6d.; sugar, per lb., 6d. to  $6\frac{1}{2}$ d.; oatmeal, per lb.,  $4\frac{1}{2}$ d.

The price charged by Mr. Dolphin for flour, on first taking the store, was 22s., but latterly he rose it, first to 24s. and then to 26s. This was owing to the price rising in the market, and his stock running short. The price of tea was raised from 3s. to 3s. 6d., to cover the extra cost incurred in packing it from Westport, a distance of fifty miles.

"That the distribution of labour has been made in a most capricious manner, many of your petitioners getting little or no work, while others have been fully employed."—This allegation is altogether disproved in evidence—only four out of the thirty-six persons examined supported this view of the matter. A perusal of the evidence will show that there is a close similarity in the majority of the statements made at the inquiry, which in itself is sufficient grounds for the supposition that the evidence given was the result of misrepresentation. In further disproof of the statement a return of the settlers employed is attached (Appendix D), by which it will be seen, by the amounts set down opposite the names of the persons enumerated therein, that, without any attempt at mathematical precision in allotting the work, a fair division of labour has been meted out to each.

"That no steamer has called at the port for many months past, and that therefore your petitioners have been debarred from obtaining stores from a cheaper market, and also from getting rid of any produce they may have had for sale."—This allegation is to a certain extent contradictory in the face of the statement previously made, that the memorialists "had received little or no cash for work done." It was proved in evidence that, even if a steamer had called, the amount of produce for sale had been very small. A steamer called at the port in April last, on which occasion the majority of the settlers were supplied by the Government with three months' stock of provisions, and since that they have

procured a further supply on credit at Dolphin's store.

"That they have grave reasons for supposing and verily believe that large profits have been made by the present director of the settlement in trading transactions with your petitioners, in excess of any profits contemplated in the original scheme of settlement."—No satisfactory evidence was adduced in support of this allegation; while, on the other hand, both Mr. Dolphin and Mr. O'Conor deny its anthenticity. Mr. Dolphin asserted positively that Mr. O'Conor was not in any way associated or interested with him in the store, or in anything pertaining to his business. The meaning of the latter part of the assertion is not altogether clear as to what is meant by the words "in excess of any profits contemplated in the original scheme of settlement," as no profits were expected to accrue under the arrangement for supplying the settlers with stores and other necessaries while the store was under the control of the Government, the sole object being to provide for their wants. But it is difficult to understand upon what principle the supposition is based that on the store coming into private hands the owner would not be entitled to make a reasonable profit on his venture; more especially as the bulk of the consumable articles bought from the Government, which the settlers appear to imagine they ought to have obtained at cost price, have long since been disposed of. The assertion that Mr. O'Conor had secured a large quantity of land at the settlement, to the extent of monopolizing all the best of it, is incorrect. The only land owned by him is some freehold sections purchased by him from the Natives; the whole extent is only 200 acres, for which full value was given. The cattle running at the settlement in which it was currently rumoured that Mr. O'Conor had an interest belong, with the exception of five head, to Mr. Dolphin. The five animals alluded to are running on Mr. O'Conor's land at Maori Point.

Another point that ought not to be lost sight of in considering the question raised by the aforesaid allegations is, that at the time Mr. Dolphin took the store the majority of the settlers had received three months' supplies, and on these provisions being consumed they have for the most part been supplied on credit by Mr. Dolphin—a circumstance that has operated very disadvantageously to his interest, as he has over £500 now due to him in that way, with every probability of having to wait a long time for his money. The following letter from Mr. Dolphin indicates some of the difficulties he

has had to contend with:-

"Karamea, 26th September, 1877.

"SIR,—As you are now inquiring into certain charges made in a petition presented to the House of Representatives by some of the Karamea settlers, calculated to injure me, I beg leave to offer you the following information respecting my business, which you are at liberty to use as you may think

"As to the prices I have paid for Government stores, I have no cause for complaint, and as to the different articles that I bought from the Government since Mr. O'Conor commenced selling off the Government property, none have been sold to me at a low price as represented, while I consider the

price of several things has been excessive.

"My offer for the store and goods was accepted, and I have faithfully carried out my part of the

"The prices that I have since charged at the store have been lower than Westport or Mokihinui, and I only kept articles of good quality, and charged the settlers on credit the same prices that others paid me for in cash on the counter. I have supplied them entirely upon credit without any security since the 27th March last.

"The long delay in their payments caused me much inconvenience, but I was obliged to overlook it, as Mr. O'Conor represented to me that the Government had not made any arrangement for the

payment of money due to the settlers.

"About 1st August last my stock was getting low, and, wishing to renew it, I asked Mr. O'Conor to take some steps to have the men paid, or otherwise I should close the store. Shortly afterwards he paid me on sundry orders the sum of £199 5s. 6d., and later on a further sum of £197 18s., leaving a large balance of orders unpaid.