

formerly. It is a matter for regret that the change could not have been made earlier, but with the class of people to be dealt with it was a very difficult thing to do, as no private individual would have been able to render the assistance absolutely necessary in the case of the majority of the settlers sent here. On the 31st December, 1877, when the Government stores were closed, the indebtedness of settlers for goods supplied was £3,323 14s. 4d., distributed over 110 accounts. Since that date to the 30th June now ending, £472 7s. 1d. has been paid on account of this indebtedness, and all work done for the Government by such as are still indebted is now subject to a discount of 20 per cent. on same account.

Schedule A attached will give an idea of road and other work done by settlers for the Government in opening up the block for settlement, whereby a large area of good land is now available. The somewhat sudden stoppage of public works leaves some of the work in rather an unfinished state; more especially does this apply to the jetty at the Bay, and the completion of the wire bridge across the Turnbull River, the material for which is all on the ground, and half of the abutments completed. The Bay and Arawata Road will be finished in September, thus opening communication to the port with all the different points of the settlement. The only other matter calling for special remark is the unfinished jetty at the Bay. About a chain of this work was nearly finished when the order to stop all further work was received. In the interim, Mr. Blackett, the Government Engineer, called at the Bay to inspect and report on the site and the work done. I am anxiously waiting instructions on this matter, as the construction of this jetty is of paramount importance to the settlement, as in the event of its non-completion all our efforts in the way of settlement, and in starting new industries to take the place of the public works now nearly finished, will be of no avail. Our industries must be in articles of export, and, as our only highway to market is by the sea, the necessity for providing accommodation for vessels is apparent. In anticipation of the stoppage of public works an effort was made by a few of the settlers and others to obtain a saw-mill plant for the Arawata, and, after some trouble and delay, I am glad to be able to report that the mill is now all but completed. The cutting capacity of the mill is 30,000 feet per week, running eight hours per day; twenty men will be employed, and I anticipate they will be in full working order about the middle of July. The settlers are in treaty for two mills of equal capacity for the Okura and the Wiatoto Rivers.

Arrangements are also being made for vessels to load at the Bay, so soon as facilities for doing so are afforded. I am also sanguine as to the opening of a trade in lime, limestone, and sandstone from here. A short distance from the jetty we have immense deposits of lime and sandstone. The stone has been pronounced a first-class building stone by a competent judge, Dr. Hector. The limestone has been submitted to Mr. Blair, Government Engineer, to ascertain its economic value. One small kiln has been burned with satisfactory results, but I anticipate, if the stone is approved of, the trade will be in the raw material. Fat stock from the Clark and other runs will be shipped to the Westland markets whenever opportunity offers. All this export trade is contingent upon the completion of the jetty, so that vessels can come alongside and load.

No mineral discoveries of importance have been made during the past year in the settlement proper with the exception of the discovery of a 2 ft. 6 in. seam of waste coal having a very slight dip to the N.E., and occurring in the blue clay marls in the range facing the Bay. The seam is of no value at the outcrop, but it is of value as showing the existence of true coal beds in the immediate neighbourhood, and will require looking into.

Three parties are out prospecting for gold in the district, and, making Jackson's Bay their base of operations, two parties went south prospecting for minerals, &c., during the year, with results entirely to their satisfaction. The first party, Docherty and Carmichael (a settler), went from here to Dusky Bay, their visit resulting in the discovery of a valuable copper mine. The second party also connected with the settlement went to the sounds, and returned by last trip of the "Maori," having been fortunate in discovering an immense deposit of white statuary marble, as also a dark variety; they also bring samples of copper ore, but of poor quality. They are now taking steps to utilize their discovery.

Several abortive attempts have been made in connection with our fisheries, but as yet no one has worked this valuable industry to advantage. A boat's crew from the settlement have made a successful start in sealing. After a week's absence they returned with over a hundred skins, and as soon as the weather will permit they intend working the coast as far as the sounds.

In February the settlement was honored by a visit from the Hon. James Macandrew, accompanied by the Hon. Mr. Gisborne and Captain Fraser. A number of the settlers waited upon them and pointed out the inconvenience the settlement was labouring under from the want of jetty accommodation, and also the necessity that existed for opening up overland communication through the Haast Pass to Otago and Canterbury, and to Hokitika, *via* the Paringa. In reply, the Hon. Mr. Macandrew said that in the settlement proper, with the exception of the amount required to complete the jetty, he did not think the Government could be expected to do much more, and the settlers would do well to rely more on their own efforts; but, as public money was to be spent on the Haast and Paringa Tracks, he had arranged with the County of Westland to expend £1,500 on the Haast and Paringa Track, and that he was endeavouring to arrange with Vincent County to spend an equal amount on the Haast Pass Track, the joint amounts to be supplemented by £3,000 from the General Government, and that the work would be put in hand at once, the settlers to have the first offer of it.

The deputation expressed themselves well satisfied with the proposed arrangements, and thanked the Minister for his courtesy and consideration. Through some misunderstanding with the counties, I am sorry to say no action appears to have been taken to give effect to the above. This is to be regretted in the interests of the colony generally, more so than on account of any loss or inconvenience that may have resulted to our more immediate district; for, as pointed out in a previous report, the importance of this road (the Paringa) should not be underrated, as it is likely to lead to the opening up of an extensive and valuable gold field. The samples of gold being found in the streams some miles below where they will be crossed by the proposed road are very suggestive of rich