$\mathbf{H}.\mathbf{-9}\mathbf{A}.$ 10

of the colony—were some who came out by a vessel called the "Douglas." These were at first sent down to Hokitika, and those who failed to get employment at Hokitika were, at their own request, forwarded to Jackson's Bay. The next shipment of immigrants consisted mainly of Germans. The Government, having several vessels arriving with German immigrants, communicated with the Immigration Officer here as to the advisability of sending some to Hokitika. A shipment arrived here, and, after being in the barracks for some weeks, the bulk of them remained unemployed, and at their own request were sent down to Jackson's Bay. Subsequently another shipment of either Germans or Poles arrived in Wellington, and again the Government asked if any could be taken here, and were informed that there was no probability of their being employed here as the others had failed to find employment, but that they could be sent to the Bay if they wished. Of these a number were sent down; some few remained, but the bulk, for some reason referred to in correspondence here, declined to land and returned to Hokitika. From inquiries made at the time it appeared that there had been some mistake made in Wellington, the immigrants saying that they had no idea they were going to Jackson's Bay, while the Immigration Officer said they were aware that they were to go. The report of the inquiry is in these papers. [Legislative Council Journal, Appendix, pp. 10 to 19; Appendix No. 4 Legislative Council Journal, 1876.] This report I can vouch for the accuracy of. None of these people could speak English: this, probably, caused the misunderstanding. The German Consul in Wellington received a report from German citizens here on this subject, and this was forwarded by him to the Government. This, with my letter referring to it, is in the same Appendix. Several applications came from different parts of the colony, from colonists who were desirous of settling at the Bay, which I was obliged to decline, the Government only having authorized the sending of fifty families from the Some time in March, 1876, the Government communicated with me relative to sending some Italians, who had, I believe, been several months in the Immigration Barracks in Wellington, unable to find employment. When first communicated with, I replied that I did not consider the Italians would make suitable settlers in a new bush settlement such as this, but the Government decided to send three of the Italians themselves to the Bay to report on the settlement to their countrymen. One of those three is now in Hokitika—Mr. Fedelli. His report and correspondence relating to it is embodied in the same paper [Appendix, Legislative Council Journal, No. 4]. There must be a telegram previous to 31st March, 1876. The three Italian deputies remained at the settlement for one month, and it rained there nearly the whole time, so that they had ample time to judge before making their report.

The reason for giving assent to the foreigners coming was, because the settlers originally asked for did not arrive, and it appeared also to relieve the Government to a great extent of the burden of foreign immigration, which they could not otherwise easily dispose of. Several other persons paid their own passages and made their own way to the settlement without Government assistance. It appeared to me that the settlement was placed at a great disadvantage in having persons of different nationalities and different languages in a new country, and contending with a new bush, which had been previously unsettled. I would add that any persons inquiring about going to the settlement were informed not only of the advantages of the proposed scheme, but also of the probable difficulties attending the first settlement. That pretty well exhausts the account of placing immigrants there. I have no doubt that the class of foreign settlers located there were unsuited to work the settlement, having no means of their own to work on, and being unacquainted with the English language. But I am also of opinion that, with a little further assistance, in the shape of employment from the Government near their homes, and the establishment of saw-mills, even the foreign element would have been utilized to advantage as settlers. Personal visits to the settlement led me to discover that a false impression had got abroad, particularly amongst these foreign immigrants; as, in visiting many settlers from house to house in their own homes, I found many of them under the impression that no steamer was to again visit the Bay, that no further work was to be provided, and that they would be left to provide for themselves out of what they might grow, before their homesteads were thoroughly established, and with a certain amount of debt hanging over their heads. I endeavoured, as far as possible, to correct this impression, but the temporary stoppage of works which followed not very long after no doubt confirmed those people in their former ideas. Had these settlers been possessed of any private means of their own, and not been obliged to depend entirely on the work offered by Government for their livelihood, they would have had a much better opportunity of getting on; but being obliged to spend so much of their time in working so as to earn a subsistence, so much time was taken from the improvement of their homes, or endeavouring to follow up any other industry. I repeatedly urged upon the Government the necessity of affording the settlers the opportunity of creating an industry amongst themselves, by the establishment more particularly of saw-mills, and I think if my suggestions had been complied with the settlement would have been in a much greater state of progress than at present. The proposal submitted by me, after advising with the Resident Agent on the subject, was, that the Government should find the bare plant necessary for a saw-mill; that the settlers should erect and work the mills on the co-operative principle, and entirely at their own expense; and that the Government should recover the cost of the original outlay for plant by a royalty on the timber exported. Had this been done, and three mills been established in different parts of the settlement, profitable employment would have been found for the whole of the settlers without extraneous aid from the Government, and the Government would have recovered the whole of the amounts advanced for the erection of cottages and supply of stores, besides getting the full purchase-money of the land, and establishing a centre of population at the Bay. In connection with published conditions, I may say the erection of saw-mills was contemplated, and it was hoped that private enterprize would have been sufficient to lead to their establishment. Several reasons interfered with this being done,—amongst others the difficulty of shipment, from want of facilities for the same; also general depression in timber trade prevailing at the time. One mill has now been established by private enterprize, partly by the settlers and partly by friends outside of the settlement; and, as a proof of the capabilities of the Bay as a safe anchorage and harbour for vessels of large size, the "Mary Ann Denison" has now sailed with a cargo of about 250,000 feet; her tonnage would probably be about 300 tons. This would be about five times as much as usually taken by bottoms out of rivers on the coast. There is correspondence to show that the