

1879.
NEW ZEALAND.

JACKSON'S BAY SPECIAL SETTLEMENT COMMISSION

(REPORT OF THE).

ALSO CORRESPONDENCE RELATING TO THE

KARAMEA SPECIAL SETTLEMENT.

Resolution of the House of Representatives, 29th August, 1878.

“That the Government be requested to take immediate steps to cause a public and impartial inquiry to be held into the working of the Jackson's Bay Special Settlement, and that any persons who may feel themselves aggrieved may have ample opportunities afforded them of giving evidence on oath before any tribunal which may be appointed.”—
(*Mr. Barff*.)

Presented to both Houses of the General Assembly by Command of His Excellency.

No. 1.

The Hon. Colonel WHITMORE to Messrs. BUNNY, GILES, and WHITEFOORD.

GENTLEMEN,—

Immigration Office, Wellington, 17th January, 1879.

I have the honor to transmit herewith a Royal Commission issued by His Excellency the Governor in Council on the 18th November last, appointing you Commissioners to proceed to Jackson's Bay for the purposes stated therein. The steamer “Stella” will be placed at your disposal to enable you to enter upon your duties, and that vessel will be available to leave Wellington on the 28th instant.

I transmit herewith the original files of records, which will furnish you with all information respecting the settlement in the possession of the Government.

In addition to the special object of the inquiry, as set forth in the Commission, the Government would be obliged by your furnishing your opinion generally upon the future prospects of the settlement, and whether it would be advisable to continue it as a special settlement, or to abandon it altogether, removing therefrom all the settlers who wish to leave. You are also asked to state whether you consider the further employment of Mr. Macfarlane necessary; if so, in what capacity; also whether it is necessary to erect a jetty, or to carry on other public works. In fact, what the Government desire is a full and exhaustive report upon the past working and future prospects of the settlement. It would also be desirable, if you could conveniently do so, for you to visit the settlement of Karamea, in order that the Government may have some information respecting it, and, if necessary, take steps for removing the settlers.

The employment of a clerk is authorized, at 10s. a day.

Messrs. H. Bunny, M.H.R.,
J. Giles, R.M., and C. Whitefoord, R.M.

I have, &c.
G. S. WHITMORE,
(for the Minister for Immigration.)

Enclosure in No. 1.

NORMANBY, Governor.

To all to whom these presents shall come, and to HENRY BUNNY, Esquire, a member of the House of Representatives; JOSEPH GILES, Esquire, Resident Magistrate; and CALEB WHITEFOORD, Esquire, Resident Magistrate, greeting:

WHEREAS petitions have been forwarded to the Government from the settlers of Jackson's Bay, complaining of the manner in which the administration of the affairs of the settlement there have been conducted: And whereas the following resolution was passed by the House of Representatives on the twenty-ninth day of August, one thousand eight hundred and seventy-eight: “That the Government be requested to take immediate steps to cause a public and impartial inquiry to be held into the working of the Jackson's Bay Special Settlement, and that any persons who may feel themselves aggrieved may have ample opportunities afforded them of giving evidence on oath before any tribunal which may

be appointed :” And whereas it is right and proper that Commissioners should be appointed for the purpose of inquiring into the allegations contained in the said petitions, and into the several matters and things therein set forth, and generally to give effect to the aforesaid resolution of the House of Representatives :

Now, therefore, know ye that I, George Augustus Constantine, Marquis of Normanby, Governor of the Colony of New Zealand, having full trust and confidence in your impartiality, ability, and integrity, do hereby, by and with the advice and consent of the Executive Council of the said colony, appoint you the said Henry Bunny, Joseph Giles, and Caleb Whitefoord, by all lawful ways and means and subject to the terms of these presents, to examine and inquire into the several matters and things set forth in the said petitions, and into the truth of any charges therein contained, in the manner hereinafter provided, and into all the facts and circumstances of the case, and generally in the premises ; and further that before you proceed to the investigation of such matters and things you require the charges against any person whomsoever to be clearly and definitely put into writing, and copies thereof to be delivered to the several persons concerned, and that you do not proceed with such inquiry until after the expiration of two days from such delivery, and that you will allow each and every person against whom any charges are preferred to be heard in answer to such charges or any of them ; and, with the like advice and consent, I do hereby require you, within sixty days* from the date hereof, or as much sooner as the same can conveniently be done (using all diligence), to certify to me under your hand and seal your proceedings, and your opinion touching the premises ; and with the like advice and consent I do hereby declare that this Commission shall continue in full force and virtue, and that you, the said Commissioners, shall and may from time to time proceed in the execution thereof although the same be not continued from time to time by adjournment ; and I declare that this Commission is under and subject to “The Commissioners’ Powers Act, 1867,” and “The Commissioners’ Powers Act Amendment Act, 1872.”

Given under the hand of His Excellency the Most Honorable George Augustus Constantine, Marquis of Normanby, Earl of Mulgrave, Viscount Normanby, and Baron Mulgrave of Mulgrave, all in the County of York, in the Peerage of the United Kingdom ; and Baron Mulgrave of New Ross, in the County of Wexford, in the Peerage of Ireland ; a Member of Her Majesty’s Most Honorable Privy Council ; Knight Grand Cross of the Most Distinguished Order of Saint Michael and Saint George ; Governor and Commander-in-Chief in and over the Colony of New Zealand and its Dependencies, and Vice-Admiral of the same ; and issued under the Seal of the said Colony at the Government House, Wellington, this eighteenth day of November, in the year of our Lord one thousand eight hundred and seventy-eight.

Approved in Council.

FORSTER GORING,
Clerk of the Executive Council.

* The time was subsequently extended to ninety days.

I do hereby extend the period within which the Commissioners herein appointed shall send in their report from ninety to one hundred and fifty days.

Approved in Council this twenty-ninth day of January, 1879.

FORSTER GORING,
Clerk of Executive Council.

NORMANBY,
Governor.

No. 2.

REPORT of the COMMISSIONERS.

MAY IT PLEASE YOUR EXCELLENCY,—

Wellington, 28th May, 1879.

We, the Commissioners appointed to inquire into the working and management of the Jackson’s Bay Settlement, have the honor to report that we have completed the inquiry into the management of the special settlement at Jackson’s Bay, which we were directed to undertake by the Commission of your Excellency’s predecessor, dated the 18th day of November last ; and it now remains for us to express our opinion on the several matters which have been brought under our notice.

Our judgment upon them is based partly upon the facts proof of which is contained in the minutes of evidence attached to this report, and partly upon our own observation and knowledge of the special settlement itself, and of the facts relating to it. It will be understood that when, in this report, we make statements of facts not formally recorded in the evidence, but which have come under our own observation, we mean to assert that such facts are within the personal knowledge of at least one of us, and that we are all convinced of their truth.

The infrequency of communication with Jackson’s Bay, and the deficiency of accommodation there, rendered it necessary for some special arrangements to be made by the Government for the purpose of enabling the inquiry to be properly held. With this view, the steamer “Stella” was placed at our disposal, but much delay occurred before she became available for the work, and consequently, although our Commission bears the early date above quoted, it was not until the 1st of March that we were able to meet together at Hokitika. The original intention was that the inquiry should be begun at Hokitika and finished at Jackson’s Bay ; but, finding that the Government would be inconvenienced by the detention of the steamer during the whole of our proceedings, we interrupted our sittings at Hokitika and went on to Jackson’s Bay, where we inspected the whole of the settlement, and took all the evidence that could be obtained there, after which we returned to Hokitika to complete our inquiry. By this means we avoided the necessity of keeping the “Stella” until our work was finished, and she was able to return at once to Wellington, instead of going on to southern ports, as was at first intended.

We now proceed to set forth the matters with which we had to deal in such order as may best facilitate the apprehension of our conclusions, and the reasons for them.

Charges and Complaints.—We think it best to begin with the particular complaints and charges which have been made against the management of the settlement. These comprise direct charges against individual persons, as well as charges affecting the general plan and management of the settlement. The principal part of these have been made in Parliament, and we shall accordingly consider these first.

Statements in Parliament.—In the House of Representatives, on the 29th of August, 1878, Mr. Barff moved for an inquiry into the working of the Jackson's Bay Special Settlement, and on that occasion both he and Mr. Reeves made some very strong assertions, into the correctness of which we have spent much time and taken much trouble in inquiring. Some severe remarks on the management of the settlement were also made by the Hon. Captain Fraser in the Legislative Council on the same day; but on a subsequent occasion Captain Fraser modified his statement of a specific instance which he had adduced, in which the conduct of the Resident Agent appeared open to censure.

With these speeches before us we made it our first business to apply to the gentlemen who had delivered them for any proofs or evidence that might be in their possession, and for any assistance and guidance they might be able to give us in prosecuting our inquiries. The telegrams and letters which we addressed to the Hon. Captain Fraser, Mr. Barff, and Mr. Reeves, and their replies, will be found amongst the documents accompanying this report.

Mr. Reeves.—From Mr. Reeves we received a reply by telegram, in which he states that the only witness, so far as he knew, who could prove the sale of certain potatoes, referred to in Mr. Barff's speech, was dead; that, if there were any other witnesses, Mr. Barff ought to be able to furnish their names; and that such facts as the ownership of the steamer "Waipara," and the purchase of all the stores for the settlement in Hokitika instead of in cheaper markets, could easily be proved. To this communication we replied by letter, calling the attention of Mr. Reeves to the very strong and distinct statements made by him in the House, and to his assertion that he could himself show the truth of those statements. Mr. Reeves sent us a reply by telegram, the purport of which was that his statements in the House were contingent upon the truth of the petition presented by Mr. Barff, and of the current reports on the subject, and that for the truth of the charges he must refer us to Mr. Barff. Nevertheless, although the terms "gross jobbery and speculation" may have been used by Mr. Reeves contingently upon the truth of statements which he had heard, yet he repeated the charge of "gross jobbery" in a manner which showed that he adopted it, and he further asserted that he could himself show "that certain shady transactions, which would make the hair of honorable members stand on end, had taken place, such as it is difficult to believe had occurred in New Zealand." We may safely assume from his previous communication that the "shady transactions" to which Mr. Reeves here refers were connected with the interest in the steamer "Waipara" held by the Hon. J. A. Bonar, and to the limitation of the purchase of supplies for the settlement to the Hokitika market. But the limitation of invitations for tenders to the province in which the supplies were required, whether a good practice or a bad one, is surely not so rare and extraordinary a thing that any one should be sceptical as to its ever having occurred in New Zealand; neither does Mr. Bonar's interest in the "Waipara" seem to be a thing calculated to make the hair of members of Parliament stand on end, unless it were shown that the interests of the settlement were systematically subordinated to those of the steamer. But of anything so specific as this Mr. Reeves has no evidence to give, and for the proof of all "shady transactions, jobbery, and speculation," he refers us to Mr. Barff. It is not necessary, therefore, for us to dwell any longer on the statements of Mr. Reeves, further than to say that, whilst we fully admit the serious nature of the assertions upon which he based his remarks, it is to be regretted that he so readily assumed their truth, and that his language in relation to them was not more measured and restrained.

Mr. Barff.—Thus thrown back upon Mr. Barff for proof of the principal assertions that had been made, it became all the more necessary for us to obtain all the assistance he could furnish; and, though Mr. Barff was unfortunately prevented by illness from attending the early sittings of the Commission, yet, during the whole of the sittings which we held at Hokitika, after our return from Jackson's Bay, we had the advantage of his presence, of his evidence, and of his active assistance in the examination of witnesses, and in the suggestion of different lines of inquiry.

The specific allegations put forth by Mr. Barff in Parliament (*Hansard*, 1878, vol. xxviii., p. 558) are for the most part contained in a petition which he read to the House, and in a statement which he made, apparently of his own knowledge, respecting certain potatoes supplied to the settlement. We shall deal with these first, and any general remarks made by Mr. Barff which may require notice will be considered when we are treating of the general management. For the contents of the petition Mr. Barff does not make himself responsible, but he says that with some of those who signed it he was personally acquainted, and could take their word as true. Mr. Barff, however, did not pretend to be in a position to give us any proof of the statements made in this document, and in fact the whole matter of the petition had been fully inquired into and finally disposed of before Mr. Barff attended any of the sittings of our Commission. But, since it was through him that this petition became public, it will be convenient to say at this stage of the report all that has to be said upon the subject.

Petition.—The petition contains four main allegations, which we shall now consider in order, and afterwards we shall state what the evidence has disclosed respecting the origin and history of this document.

1st Clause.—The first allegation is that there is "reason to believe that the money granted for the settlement has not been expended judiciously, nor to the advantage of the settlers." There would be little fault to find with this memorial had it contained nothing more objectionable than this temperate statement of opinion. It would be very remarkable if the money spent on the settlement had been so laid out that all persons should agree that it could not have been more judiciously expended. We are certainly not of that opinion, and, when we are treating generally of the causes which have hindered the prosperity of the settlement, we shall point out what share in conducting to that result may be set down to the injudicious expenditure of the money. But as the matter has been put before us by the persons who signed the petition, the instances adduced in support of the first allegation are for the most part

of a trifling character, showing errors of judgment in the direction or gradient of a track, in the position or size of a drain, and the like. Such cases, the references to which are scattered throughout the sheets of evidence, do not seem to require more than this general mention, since they amount to nothing more than what in our experience has always been the case with respect to the early works undertaken in a new district, when what has been done hastily and to meet a pressing necessity becomes subjected to the leisurely criticism of those who are instructed by the event.

2nd Clause: Signing vouchers for settlers and not accounting for the money.—The second allegation is that "Petitioners' names have in several cases been signed to vouchers without their knowledge, and the money unaccounted for." And the fourth is so closely connected with this in its nature that these two will be more conveniently considered together.

4th Clause: Causing more than one receipt to be signed for the same money.—The fourth allegation is that "Petitioners could cite cases where contractor has had to sign vouchers for full amount of contract, and also the men employed by said contractor have been required to sign vouchers for the several amounts earned by them on the contract."

The substance of these statements is this: that the Resident Agent, or some other officer, has been in the habit of embezzling money, the property either of the working settlers or of the Government, in the former case accounting for the money by a forged signature, and in the latter by obtaining double vouchers for the same sum.

In support of these statements we have the evidence of John Clarke, taken at Jackson's Bay, who said that on one occasion the sum of £16 was due to him on a contract, and that he never signed any voucher for this sum, although he duly received credit for it as against his store debt, a statement which manifestly does not support the charge. On another occasion he signed a voucher for £24, the amount due upon a contract in which he had two mates, Beveridge and Dwan, and he says that they also signed separately for their several shares of £8. This statement the witness immediately modified by admitting that he was only sure about Beveridge, and could not say whether Dwan had signed or not.

In the case of the £16 the facts are simply these: that Clarke's voucher was signed by James Nightingale, the overseer of works, who positively asserts that he had Clarke's verbal authority to do so. That he had such authority is denied by Clarke, who however fully admits that he was duly credited with the money. Clarke's real grievance in this matter was that the money was set against his store account instead of being paid him in cash. The real facts of the case are that, before this contract, Clarke had another, known as the "school contract," from which he was to obtain £22 10s. as his share, payable by the Chairman of the School Committee, Mr. Nightingale. The evidence shows that during the contract Mr. Clarke was obtaining goods from the Government store, and that, being desirous of purchasing cattle, he agreed that if he were allowed to draw the whole of his money upon the school contract his next earnings should go to his store debt. This understanding is denied by Clarke, but we do not think his denial can outweigh the positive evidence and the probabilities on the other side. Clarke says this sum was credited to his store account before it was earned, the meaning of which is that, if he could succeed in showing that the amount was not due to him until after the beginning of the year 1878, he thinks it could not be withheld, because on the 1st January, 1878, the Government store passed into the hands of Mr. Marks, and a new arrangement was brought into operation by which only £1 per month was to be deducted from the settlers' wages for the payment of the Government store debts. The answer to this is that the contract was to be finished before Christmas, and it would not be fair to allow a perhaps wilful delay in the completion of the work to secure for the contractor the benefit in question. Moreover, we have already said that we believe Clarke had consented to what was done, and had obtained goods from the store on the strength of his consent.

This case of the £16 is the only attempt that has been made to sustain the second allegation of the petition, and even here it is not sought to prove the most serious part of the statement, which is that the money has been unaccounted for, the evidence proving exactly the reverse. We cannot pretend to settle the respective degrees of accuracy in the statements of Clarke and of Nightingale as to the authority to sign given by the former; but we have no reason to doubt that Nightingale considered himself authorized. To sign vouchers for men who were absent seems to have been a not uncommon practice. It was frequently done at the request of the payees themselves, and for their convenience. We think it objectionable, unless there is an authority in writing; but there is not the smallest reason for even suspecting that any money thus signed for has been unaccounted for to the payee. It may be worthy of mention, as showing the way in which statements of this kind are made, that one witness explained the assertion in the petition that vouchers had been signed without authority to mean that his own mate had signed a voucher for him.

The second allegation of the petition, taken in the only sense which can be fairly attributed to it, is therefore without any evidence to support it, and we believe it to be entirely untrue.

The statement of Clarke, above referred to, in support of the fourth allegation, is thus disposed of. There is no evidence whatever that Beveridge ever signed a voucher for £3 which was also included in a voucher for £24, signed by Clarke. But Beveridge did, about that time, sign a voucher for 8s., which he seems to have imagined was for £3. On the voucher being shown to him, he fully admitted that he might have made this mistake, and at once withdrew his previous statement. One or two other instances under this head were alleged by Mr. Murdoch, but they are not proved by any satisfactory evidence, and we think it probable that they admit of an equally simple if not a similar explanation to the case last mentioned.

The fourth allegation—understood, as we understand it, to mean that more than one receipt has been obtained for the same money, presumably for the purpose of obtaining the money more than once from the Government—falls to the ground as completely as the second.

3rd Clause: Delays in payment, and truck system.—The third allegation of the petition is that, in consequence of delay in the payment of wages, the settlers have been compelled through want to accept the Resident Agent's order on Mr. Marks's store, where goods were sold 30 per cent. higher than they could be obtained elsewhere for cash.

Mode of Payment.—The truth upon this subject is as follows: In the first place there never were any

orders given upon Mr. Marks's store, nor does any one of all the witnesses we have examined pretend to have ever seen such a document. The payments were, as a rule, made monthly. Once or twice there may have been a little delay, owing to a deficiency of cheques or voucher-forms, but we have no reason whatever for believing that the delay in the payments was either excessive or systematic. No doubt a person who was urgently in want of stores might sometimes have to go to Mr. Marks's to get them. But until he received his wages a small quantity would suffice; and upon getting his cheque, for which he had not generally long to wait, he was at liberty to buy in any market he might find available. The money received was in the shape of cheques, most of which found their way back again to the Government store, and the difficulty arising from want of change was partially, although inadequately, met by drawing several smaller cheques instead of one for the whole amount. At the beginning of the settlement the payments were made in cash, but cheques were substituted at the request of the settlers themselves, who desired to send remittances to their families. At a still later period it appears that the Government refused, when requested, to revert to the system of cash payments, on the ground of the greater convenience of cheques, and the risks attendant upon the keeping supplies of cash in so remote a place.

It has been attempted to show that the Resident Agent set his face against the competition of private stores, but there is no proof of this, and we fear that a better reason for the failure of such stores might be found in the general preference of the settlers for the credit given at the Government store, a preference partly grounded perhaps on the hope, since so amply realized, that they might never be called upon to pay at all.

Any grievance which the settlers might have in this matter arises, in our opinion, from the fact of there being a Government store at all; but the complaint of the petition relates only to the time when the Government store had been given up. We shall have some further remarks to make upon the Government store, but under the present heading it is enough to say that, although gangers' certificates of work were used for the purpose of progress payments, and were honored by the Resident Agent when pay-day came, such orders were quite unrestricted in their operation, and not in any way limited to Mr. Marks's store: moreover, there is no evidence of the frequent occurrence of undue delay in the payment of wages.

General Remarks on the Petition.—The document containing these unproven allegations requires a few more words before it is finally dismissed. Mr. Barff, in a letter to the Chairman of the Commission, dated 16th March, 1879, says that "an overwhelming majority of the persons who complained of their treatment at Jackson's Bay have from time to time left the settlement for other parts of the colony." We do not quite know what are the complaints to which this remark refers. It certainly has little force in respect of the petition now under consideration. This document bears thirty-six signatures, and of this number we have taken the evidence of one-half, that is, of eighteen witnesses. These include all the framers and promoters of the petition; and of those who have not been examined, almost every one of whom was a foreigner, we believe that hardly any had a clear notion of the statements he was asked to sign. Of those who gave evidence, witness after witness denied all knowledge of the truth of the allegations, and desired to limit his responsibility to an assertion of his own particular grievance, which was generally not embodied in the petition at all. Every one who signed took it for granted that some one else would be able to prove the statements, and thus this document has been framed and signed, and, after being read in Parliament and published in the colony, has contributed largely to the appointment and expense of a Commission of Inquiry, and finally has been found upon examination, in every statement which is not sheltered against contradiction by its vagueness, to be substantially untrue.

The petition was drafted by Messrs. Murdoch and Docherty, but in its origination and promotion they appear to have been aided by the counsels of Messrs. Clarke, Dwan, and Callery, with perhaps one or two others, all of whom have shown a spirit of much animosity against the Resident Agent. We thought it only right to mark our sense of the utterly unprincipled manner in which this memorial had been set on foot by refusing to allow any expenses to those witnesses who attended from the Haast Pass, and whose names were attached to the petition. The easy recklessness with which the petition was drawn and signed is quite in keeping with the readiness which some of its promoters showed to withdraw it if Mr. Macfarlane would come to their terms in the allotment of work. It remains to say that, after the conclusion of the sittings at Jackson's Bay, Messrs. Michael and Patrick Dwan, and Docherty, for themselves and Mr. Callery, formally stated to us that they desired to withdraw altogether from the charges made in the petition against the Resident Agent, and they desired that what they said should be communicated to him. They also said that at the time when the petition was framed they were assured that the charges would be proved by proper evidence, but that they were now satisfied that they had entirely broken down.

We regret that we have been compelled to spend so much time in the investigation of the history and character of such a document as this petition, but we trust that the last word has now been said upon the subject.

Mr. Barff: Potatoes.—The next statement of Mr. Barff's with which we have to deal is one made on his own authority, and is to the following effect: "That in one case a quantity of damaged potatoes, that could not be sold at auction, were left on the wharf at Hokitika, until they were directed to be removed by the Inspector of Nuisances. They were then sold to a person appointed to do the dirty work, at sixpence a bag, and were sent down to Jackson's Bay, and sold to the settlers at £17 a ton, for seed potatoes."

This statement has cost us more time and trouble to investigate than even the petition. With the assistance of Mr. Barff we have examined nearly a score of witnesses on the subject. We have obtained information in the shape of letters and telegrams from every source that could be suggested; we have followed every clue of which we could catch a glimpse; we have compared dates and seasons, inquired into rumours, searched the columns of newspapers for shipping intelligence, leading articles, and anonymous letters; and have inspected the books and invoices of merchants, and the manifests of ships. To make a thorough analysis of the statements that have been put before us, with the view of

reconciling all their discrepancies, and educing from them a perfectly clear narrative respecting all the shipments of potatoes which might conceivably be concerned in the statement under consideration, is a task which would be probably impossible and certainly useless. We shall therefore state briefly our conclusion upon the subject, concerning which we think there can be no reasonable doubt. There is sufficient evidence to establish the following points:—

Conclusion as to Statement about Potatoes.—That the potato crop at the settlement in the spring of 1875 failed from the rotting of the potatoes by reason of the wet season; that application was made for a fresh supply of seed; that the letter containing the application miscarried, and it was consequently not until January, 1876, that any steps were taken to supply the want; that potatoes were then bought wherever they could be obtained, and of whatever quality, the price given being, at all events for some of them, 3d. per bag, besides 1s. the price of the bag; that these potatoes were carefully picked over, and the bad ones rejected; that some which were taken to the “Waipara” for shipment to Jackson’s Bay were refused by Mr. Bonar, on account of their bad quality, and were left on the wharf; and that the potatoes sent to the Bay were of fair quality for seed, and were sold at £10 per ton, being an advance of 8s. on the cost price, to cover the charges at the Bay. The evidence of all this is quite clear and beyond cavil, and these circumstances, together with some others, which in respect of time and place are not quite so definitely stated, will sufficiently account for the story about the potatoes as represented to Mr. Barff, and by him communicated to Parliament. First, the failure of the crop at Jackson’s Bay in 1875 might very easily lead some one to suggest that the seed was bad, and such a suggestion would doubtless find ready belief at Hokitika. The evidence of Mr. Polson would, taken by itself, favour the notion that the seed potatoes which failed in 1875 were the bad lot supposed to have been bought for 6d. per bag. But Mr. Polson’s recollection upon this subject is convicted of inaccuracy by a comparison of dates and circumstances, and by the positive evidence respecting the seed potatoes which failed, the quality of which is shown to have been good, and the price £10 10s. per ton. But the knowledge that the crop had failed, together with the subsequent facts that potatoes were bought up for the Bay at 3d. per bag (exclusive of the bags), that rotten potatoes intended for the Bay had been seen lying on the wharf, and that the attention of the Inspector of Nuisances had been drawn to them (or to some others, for this point is not quite clear), will sufficiently account for the common talk upon the subject which is proved to have been current at or about that time; and this view is further established by the fact that no complaint has come from the Bay itself about this shipment of rotten potatoes, although one or two persons have stated that some of the potatoes they bought, as well as of other stores, were bad. It is only Hokitika people who knew anything of the matter. Mr. Barff’s statement therefore about these potatoes is evidently founded upon a belief plausibly enough derived from facts of which he, as well as others, had an incomplete knowledge. Mr. Barff would scarcely have committed himself to a statement so entirely erroneous in substance, if he had known that the potatoes bought indiscriminately at 1s. 3d. per bag had been reduced by picking from eighty-one bags to twenty-nine; that others bought at 1s. 6d. per bag, and not picked over, were refused by the shippers; and that the potatoes sent to the Bay on that occasion were sold at a price barely above their cost; and, lastly, that there is no evidence whatever of any shipment of rotten or worthless potatoes having been sent to the Bay and received there.

Hon. Captain Fraser.—The remarks made by the Hon. Captain Fraser in the Legislative Council on the 29th August, 1878 (*Hansard*, 1878, vol. xxviii., p. 588) are equally strong with those made in the House of Representatives, but the matters referred to in them will be more conveniently dealt with under appropriate headings in different parts of this report. We communicated with Captain Fraser, requesting information on the matters referred to in his speech, and to this communication he replied, to the effect that the charges against the Resident Agent were of oppression and maintenance of truck, together with some fresh and serious charges lately shown by him (Captain Fraser) to the Attorney-General, and posted to us, and that we could obtain much light from Mr. Murdoch, “an intelligent settler, who should have been a member of the County Council.”

The intelligence of Mr. Murdoch we have had some opportunity of appreciating in the course of our inquiry, and we shall endeavour to exhibit in this report all the light which we have been able to obtain from him, but we have not considered the question whether he ought to have been a member of the County Council. The reference to this subject seems to be connected with the documents shown to the Hon. the Attorney-General, and forwarded to us, which contain the “serious charges” against the Resident Agent, referred to in Captain Fraser’s telegram. These charges are contained in a letter signed by four persons, of whom Mr. Murdoch is one, and a petition on behalf of Mr. Murdoch, calling in question the last county election for the Jackson’s Bay Riding, which resulted in his defeat.

All that we have to say upon the subject of this petition is that Mr. Macfarlane, the Resident Agent at Jackson’s Bay, was the Resident Magistrate whose duty was to hear the petition, but, since he had himself acted as Returning Officer at the election, he could not do so. He therefore adjourned the hearing until the matter could be put before the Government, and immediately upon this being done one of ourselves was appointed a Resident Magistrate for the purpose of hearing this matter, but before our arrival at the Bay the petition was withdrawn. We have not therefore concerned ourselves with the statements made in it; but, since it has been officially sent to us, and finds its place amongst the papers appended to our report, we think it right to say that, inasmuch as its allegations have not been made the subject of any inquiry, no weight ought to be attached or credence given to any of them. There are special reasons for this caution in the present case. The petition is signed by three persons, of whom two are John Murdoch and Bartholomew Docherty. These are the two framers of the petition sent to Mr. Barff, the result of our inquiry into which has already been fully set forth, and our opinion is that no charges of any kind or against any person made by the persons who framed the petition ought to be deemed worthy of the smallest credit until proved by proper evidence.

Letter from Murdoch and Others to the Hon. Captain Fraser, 14th December, 1878.—The letter above referred to contains little but what is repeated over and over again in Mr. Murdoch’s statements made before the Commission, but it may be noted, as a specimen of Mr. Murdoch’s style of bringing

forward the grievances of other persons and assuming the truth of everything they may say to the detriment of the Resident Agent, that he informs Captain Fraser that there are a number of persons to whom the Resident Agent is indebted, but whom he refuses to pay. Four or five cases in which the Resident Agent was defendant were heard by one of ourselves sitting as Resident Magistrate whilst we were at the Bay, and in every case the decision was in his favour.

John Murdoch.—We now proceed to the statements and evidence of Mr. Murdoch. The principal difficulty which we have felt in the execution of our Commission has arisen from the want of some person whose business was to collect and put before us in the form of distinct issues the floating rumours about the settlement which had so long filled the air. We have had to find out for ourselves what the charges were, who was ready to substantiate them, and what truth they might contain. In these circumstances we counted much upon Mr. Murdoch's assistance, recommended to us as he was by the Hon. Captain Fraser. And certainly, so far as the will to make charges against Mr. Macfarlane is concerned, Mr. Murdoch surpassed our expectations. He has put before us in great abundance not only complaints respecting the general management of the settlement, but also his own private grievances against the Resident Agent, and every ground of quarrel with that officer which he may at any time have heard alleged by any other person.

The statements of Mr. Murdoch were rather discursive in their character, and not easy to reduce to such a definite shape that the Resident Agent or any one else could be called upon to answer them. We are not sure even now that we have always got at his true meaning, but we have taken great pains to do so, and the twenty-two propositions stated upon a paper appended hereto contain, we think, all that Mr. Murdoch knows, or suspects, or has been told by anybody else, about the mismanagement of the settlement, and the wrong-doing of the Resident Agent. We apprehend some difficulty in dealing with these statements without intolerable prolixity, but we shall endeavour to avoid this as far as possible.

Complaint No. 1.—"As to the manner in which the work of the settlement was allotted."

By the conditions of settlement the settlers were to get three days' work for every week in the first two years. Mr. Murdoch says he did not get this amount, and represents himself as seriously prejudiced in this respect. Now, according to his own evidence, his wages for the two years amounted to £5 1s. 3d. less than they ought to have done if he had been employed the full number of days. This is when the two years are reckoned from January, 1875; but Mr. Murdoch has always contended that the time ought to be reckoned from March of that year when the land became open for selection, and if the computation be accordingly made from March he himself admits that he has received £11 8s. 9d. more than his claim would amount to. Mr. Murdoch does not seem, therefore, to have any valid complaint with respect to the quantity of work allotted to him.

One or two other settlers have made a similar complaint, but, after allowing for such deficiencies in the quantity of work given them as might have been caused by their own frequent absence from the settlement, their omission to apply for work, their dislike to the work offered them, or their failure to comply with the conditions of settlement, we do not think a grievance has been made out. When it is considered how difficult it must have been in the circumstances to distribute the work with a very nice precision, and that Government work was continued in the third year, although this was not in the conditions, we see no reason to think that the Resident Agent abused the discretion which was necessarily allowed him in the matter. Amongst the papers will be found a return showing what wages each settler has earned since the beginning of the settlement, and to this return the Resident Agent appeals for information on the subject.

Complaint No. 2.—"Settlers were charged 25 per cent. more for their provisions than they could procure them for elsewhere."

This statement suggests the obvious question, Why did they not procure their goods elsewhere if they could do so? But we shall take this opportunity of saying all that we have to say on the supply of provisions to the settlement. It has been made a matter of complaint that the provisions were not bought in the cheapest market, and insinuations have been made reflecting on the management of the settlement by the Hon. J. A. Bonar, and grounded on the fact of his being in business in Hokitika, and upon his ownership of the steamer "Waipara." As a matter of fact, provisions were not bought outside the province. For a short time after the starting of the settlement the goods were selected by the Resident Agent wherever he could best obtain them, but afterwards tenders were called. Had the tenders been called for in other places—for instance, in Dunedin—some of the articles would have been obtained more cheaply, especially flour.

We have information from Dunedin that in 1875 flour was selling at £9 10s. per ton, and we find from the Hokitika Provincial Tender-Book that in September, 1875, Mr. Chesney tendered to supply flour at £11 15s. Oatmeal, on the other hand, was £20 at Dunedin, as against £17 15s. at Hokitika; but the advantage appears to be generally on the side of Dunedin.

Now Mr. Bonar says in his evidence that it was not customary to go outside the province for tenders. We believe that this is confirmed by the practice of all the provinces that we have ever known, and we think it almost a necessary incident of the provincial system. The money for the formation of the settlement was, as Mr. Bonar says, advanced to the Province of Westland, secured on the lands of Westland, and the settlement was founded with the object of improving settlement in Westland. In these circumstances it is probable that a Westland Provincial Council would not have approved a proposal that a Westland special settlement should be supplied from Dunedin. Whether the grievance complained of has proved a serious one seems questionable, if we may trust the evidence of Mr. Chesney, who says that a saving might have been made on flour, but not much on other commodities; and that if flour had been obtained from Dunedin the freight on other goods from Hokitika would have been raised by reason of the diminution of cargo. It must be remembered also that the "Maori" could not enter the Okura River, a circumstance which rendered it necessary to employ the "Waipara."

With respect to Mr. Bonar's private interests, we do not find that the insinuations made admit of any justification in fact. The goods were not generally supplied by him, and if his steamer conveyed

them there was no other to do it. Mr. Bonar says himself that his private interests have suffered through the settlement, that his interest in the "Waipara" was used to obtain her services for the settlement at a cheaper rate than the Government could have obtained similar services for in any other quarter, and that but for the "Waipara" the expense of these services would have been 50 per cent. greater. We know of no reason to doubt the correctness of this statement, nor has a scintilla of evidence been adduced to show that Mr. Bonar, in his management of the settlement, was ever influenced by any other motive than the desire to promote its welfare.

The matters which we have been discussing, although we have brought them within the terms, scarcely fall within the intention of Mr. Murdoch's second allegation which we are now considering. He had a grievance of his own, which we shall now dispose of, to avoid the necessity of noticing it when it turns up again, as it does under some of the subsequent heads.

Mr. Murdoch says that he could himself have supplied goods to the settlers much cheaper than the price at the Government store. In answer to the question why he did not do so, he gives the following reasons: that the Resident Agent would not pay the settlers cash, but only orders payable at the Government store; that he resented demands for cash, and refused work to those who made them; and that he put direct obstacles in the way of Mr. Murdoch when he wished to supply the settlers with meat. Now we have already explained how the system of cheques came to be adopted, and there is no doubt that cash was scarce in the settlement up to the time when Mr. Marks took over the Government store. But there is no proof of the assertion that the Resident Agent showed animus against those who did not like the cheque system, although we may presume that if there were any (of which we have no proof) who would not take work on the customary conditions they would not get it at all. It is not true, as we have said before, that orders were given on any particular store. Both the gangers' certificates for progress payments, and the cheques given in final settlement, might be presented to any one who chose to receive them. There was nothing whatever to hinder Mr. Murdoch from giving the settlers beef or flour in return for their cheques if the matter could be agreed upon between the parties; but we think the infrequency of such dealings may be partly accounted for by the preference of Mr. Murdoch on the one side for cash, and of the settlers on the other for credit. The supposed impediments which the Resident Agent put in the way of Mr. Murdoch when he wished to supply the settlers with beef and mutton are the theme of a chronic complaint which forms a sort of back-ground to all Mr. Murdoch's statements and evidence. He complains that Mr. Macfarlane would not facilitate the sale of beef except at the Government store, that he would not guarantee the payment of Mr. Murdoch's meat accounts by charging the settlers with them in their store pass-books, and that arrangements for the above purposes were afterwards repudiated by him. It would doubtless have much facilitated Mr. Murdoch's business if all his book debts could have been guaranteed by being made a first charge on the settlers' wages, whatever detriment this may have caused to the Government store account, but we are not aware that it was the duty of the Resident Agent to forward his views in this respect. As a matter of fact, however, Mr. Macfarlane did what he could in this direction so far as he thought it prudent to do so. Mr. Murdoch's beef was entered in the pass-books of the settlers, and a regular arrangement was made by Mr. Macfarlane for the supply of meat by Mr. Murdoch and a Mr. Robinson. The arrangement was afterwards put an end to by the Resident Agent, because Mr. Murdoch did not conform to his plans for supplying the Okuru settlers, but this was only two or three months before it must in any case have terminated by the transfer of the store to private hands.

Our opinion upon this subject is that, of Mr. Murdoch's charges against the Resident Agent in connection with the store, the supply of meat, the orders, and the truck question generally, the greater part is unfounded, and the remainder frivolous.

Complaint No. 3: Settlers getting goods instead of cash.—"Cash payment refused settlers, who were compelled to take goods in payment for work. A £2 order given complainant was refused payment. He offered to take half cash, and offer refused."

The first part of this allegation requires no further remark. With reference to the latter part of the statement, a copy of the order referred to is attached to the evidence. It is an order for cash, instead of a certificate for work done, signed by the overseer. Such orders were not recognized by Mr. Macfarlane, being in a form which he considered objectionable. He therefore refused to countersign it, and seems to have told Mr. Murdoch "he must do the same as others," or something to that effect. In these words, and in this refusal to countersign the order, Mr. Murdoch seems to have detected, by some process of reasoning which he has failed to make clear to us, a disposition on the part of the Resident Agent to maintain a system of truck for the benefit of Mr. Marks, a disposition in proof of which we have vainly sought for any evidence whatever. This particular instance is only worth mentioning as illustrating the kind of construction which Mr. Murdoch put upon the most simple things which were done and said, as well as his disposition to treasure up every little thing which he thought might be one day used against the Resident Agent: for Mr. Murdoch says he has never yet been credited with the £2 mentioned in this order, a statement which we think open to doubt, but the truth of which we have not been asked to determine. Assuming, however, as we fairly may, that Mr. Murdoch believes that this sum has not been paid to him, we find him saying in his evidence, "The pay-day was the 19th March, and I believe if I had presented it on that day I should have got the money. I kept the order back to hold as evidence."

Complaint No. 4.—"Complainant was willing to supply settlers with beef, but Resident Agent refused to permit him to do so, although his charge was lower than that charged by the Government."

This relates to the beef question, and has been already sufficiently discussed.

Complaint No. 5.—"That contracts accepted by complainant were altered after being accepted, and that others were given to Ray, Moth, and Birch, the specifications of which were altered after being offered to, and declined by, complainant."

Under this charge one or two instances were adduced. In one case a contract was declined by Murdoch and let to other parties. He alleges that the specifications were altered in favour of the other persons. This is denied, and is not proved. In another case, after Murdoch had agreed to take

a contract, and before it was signed, some omission was discovered, and a difference of opinion occurred between him and the Resident Agent how it should be dealt with. To trumpety complaints of this kind we have had to listen at great length, and, however briefly we may state them, they will still, we fear, seem tedious.

Complaint No. 6.—"Timber—5,000 feet—was supplied from Hokitika which complainant could have cut, and offered to cut, at the settlement."

The offer alleged to have been made is not proved with any degree of clearness. Mr. Macfarlane says he has no recollection of it, and that he was obliged to get the timber at Hokitika, although he had a standing offer of 15s. per 100 feet to any one who would deliver it on the river-bank. We believe that Mr. Macfarlane's desire would have been to obtain the timber at the settlement if he could have done it; his interest, as well as his disposition, pointed in this direction. It appears also that Murdoch did get employment in sawing timber.

Complaint No. 7.—"False reports were made to the Government by the Resident Agent as to cash being plentiful in settlement."

It has not been shown that the Resident Agent ever made such reports, nor what object he could have in so doing. It appears, however, that Mr. Murdoch intended to refer to a letter from Mr. Patten to the Under Secretary for Immigration, dated 29th April, 1878, in which he stated that Mr. Marks kept supplies of cash.

Complaint No. 8.—"Difficulty in getting orders cashed, and orders were given for different amounts from those due for earnings on public works. Different cheque given from that in the number of the voucher."

With respect to the first part of this complaint, Mr. Patten, in his evidence, explains that sometimes orders from the settlement could not be met by him because the expected remittance from Wellington had not arrived. Some delay may easily be accounted for by the circumstance that a new Ministry entered upon office at a time when the accounts of the settlement had become rather complicated, when the store was about to be transferred to private hands, and when the Government had to determine what course to pursue with the settlement.

The other part of the complaint is perfectly frivolous, and, if Mr. Murdoch, instead of making a note of it for future use, had taken the trouble to inquire, he would have learned that it was sometimes very convenient to "split" a payment into two or three parts, and give a cheque for each; and that it might even happen that a cheque drawn for one man might be given to another by way of change, and thus the cheque in a man's possession might not agree with the voucher he had signed.

Complaint No. 9.—"Complainant took contract for £8, and out of the amount £2 was stopped for boating. The men to whom this amount was due afterwards signed day-labour vouchers for the £2."

This comes under the charge made in the 4th clause of the petition, and our remarks there made will apply to it. No proof has been given of what documents were signed, and the possibility of such a practice is denied in evidence by Mr. Patten, who audited the accounts; and, after the thorough sifting and explanation of Beveridge's case, already detailed, it would be waste of time to entertain a similar charge, unless positive evidence were first produced.

Complaint No. 10.—"Mr. Macfarlane repudiated agreement as to payment of £2 10s. due complainant from settlers."

This is very frivolous even for Mr. Murdoch. It was no part of Mr. Macfarlane's duty to collect his debts, and, as a matter of fact, he got his money.

Complaint No. 11.—"Complainant sold Mr. Macfarlane some grass seed. Mr. Macfarlane sold it to settlers, and refused to collect the money due for it from settlers."

This is a similar complaint to the last, except that the money was due for grass seed instead of mutton. It appears that Mr. Macfarlane sold the seed at too high a price; but Mr. Murdoch got his money, and we do not quite understand what more he wanted.

Complaint No. 12.—"A house was forcibly taken from a settler—Courtney."

Murdoch seems to have bought Courtney. The only information we were able to get about it is that Courtney, never intending to be a *bonâ fide* settler, persisted in building on a reserve, against the instructions of the Resident Agent, who afterwards bought the hut for a Government stable, and holds Courtney's receipt for his share of the purchase-money.

Complaint No. 13.—"Men were dismissed from the saw-mill for signing the petition."

At the time in question Mr. Macfarlane was legally manager of the saw-mill company, which has nothing to do with the Government or the Resident Agent. A new lease was about to be given, and it was a matter of necessity, independently of any petition, to terminate by fourteen days' notice the engagement then existing with the workmen whose dismissal is complained of. These men had signed the petition, and some of them had a principal hand in it. It is not to be supposed that their doing so was any recommendation of them in Mr. Macfarlane's eyes, and much favour could scarcely be expected from him by men who were equally ready to accuse him of forgery and embezzlement, and to withdraw such charges on condition of getting as much work as might suit them. Mr. Macfarlane seems to have spoken and written on the matter without much reserve to Mr. Amos Nicholson, manager of the mill, who was at that time, to all appearances, his friend, and might have been expected not to repeat his confidential remarks and produce his confidential letters. But whatever Mr. Macfarlane may have said or written, he was under a necessity of dismissing the men, and the management then passed out of his hands.

Complaint No. 14.—"An arrangement as to collecting money for butchers' accounts made by Mr. Macfarlane with complainant was afterwards repudiated by Mr. Macfarlane; also another arrangement as to purchase of cow by 'Max.'"

The first part of this relates to the supply of meat, upon which we have no more to say. The second part is similar to statements 10 and 11. Mr. Murdoch got his money, but it would appear that money is not money to him unless every farthing of it is collected by Mr. Macfarlane.

Complaint No. 15.—"A settler named Jacques bought flour from complainant for £3 10s.; he was then refused work by the Resident Agent in consequence."

Jacques is absent, and no evidence was brought. The Resident Agent denies the statement, and we do not think it entitled to the smallest weight.

Some remarks of Mr. Macfarlane's might easily have been misunderstood by a foreigner, misrepresented by him to Murdoch, and magnified and distorted by the medium through which the latter viewed everything done or said by the Resident Agent.

Complaint No. 16.—"When Mr. Patten was present, men were willing to work on Haast River track, and were refused work."

The evidence does not show that there ever was such a refusal when there was authorized work to be done.

Complaint No. 17.—"Settlers were refused passages by the 'Stella.'"

There is no evidence that Mr. Macfarlane and Captain McKersie acted otherwise than discreetly and properly in the matter.

Complaint No. 18.—"Mr. Macfarlane kept drapery store, and obliged settlers to take goods of this description from him."

It is true that Mr. Macfarlane did get drapery and boots at the request of the settlers, but there is no evidence of any person having been under any compulsion to buy them, except that arising from their want of such goods.

Complaint No. 19.—"Beveridge was told by Mr. Macfarlane that if he summoned the saw-mill proprietors Mr. Macfarlane would give them time to pay amount."

A statement which deserves no notice, being merely hearsay, and unsupported by the person upon whose authority it purports to be made.

Complaint No. 20.—"Mr. Macfarlane detained cheques coming to the settlers from the Treasury."

Mr. Murdoch put this amongst his charges apparently because he feared that those who were aggrieved might forget it. No such thing ever happened to him, but Bartholomew Docherty has complained that Mr. Macfarlane, having to countersign a Treasury cheque for £10, refused to do so unless the cheque was devoted to the reduction of his store account, which was then about £50. Mr. Mueller says in his evidence that Mr. Macfarlane was made countersigning officer for the very purpose of enabling him to secure part payment of the store debts. The evidence before us tends to show that Mr. Macfarlane was considerate and not severe in the deductions he made from payments on account of store debts, considering that he had been particularly directed by the Government to take steps to collect them.

Complaint No. 21.—"The Haast track was out of repair, and some drovers offered to put it in passable order for £11. This offer was refused, and they were offered £6, and refused to do so. The work was done by day labour, and cost more than £11."

This is a statement about a small item of work on the Haast Pass, in respect of which Mr. Murdoch "has been given to understand partiality was shown." It is a matter which his anxiety about the wrongs of others, even though as well able to speak for themselves as Messrs. Callery and Dwan, induced him to mention. It is referred to in the evidence of the latter, and in Mr. Macfarlane's.

Complaint No. 22.—"Men engaged in work were afraid to employ Murdoch for fear Mr. Macfarlane would make the work so much harder if he was engaged with them."

There is no evidence that Mr. Macfarlane ever set his face against the employment of Murdoch, but rather the reverse; but there is evidence that Murdoch was looked upon as one who was always "at loggerheads" with the Resident Agent and the overseer, and this made some persons unwilling to take him as a mate.

Remarks on Murdoch's Charges and Statements.—Amongst the papers appended is a letter from Mr. Murdoch, in which he speaks of the abrupt close of our proceedings. We do not understand how the sittings can be said to have terminated abruptly when a public notification was made by the Chairman two or three days previously, when the last sitting at Jackson's Bay would take place, and the inquiry was afterwards resumed at Hokitika. But whenever the inquiry might have closed we fear it would have precluded Mr. Murdoch from saying something that he wished to say, from bringing forward new matter, or repeating old. The fact is that Mr. Murdoch has shown throughout the inquiry a great want of the faculty of appreciating the bearing of facts and of evidence. He has desired that evidence should be called from all quarters to prove things that are either admitted or irrelevant: what has been proved he has wished to prove again: what has been disproved he has attempted to treat as if proved: what has been explained he has persisted in understanding in that perverted sense which suited his purpose. In listening to Mr. Murdoch, and in affording him every opportunity of bringing forward matters for inquiry, we cannot accuse ourselves of any defect of patience; but the degree to which that quality has been tried by his endless and unprofitable iteration of what was either erroneous, or frivolous, or admitted, can only be known to those who have regularly attended our sittings. If there is any document which has not been produced, or witness who has not been called, at Mr. Murdoch's request, we can only say that the result of our inquiry into the matters which he has put before us is not such as to lead us to think that anything valuable or significant has been missed for want of evidence.

We consider it necessary to comment thus upon Mr. Murdoch's share in the statements which have been the cause of this inquiry. We think he is responsible for them to a greater extent than any other single person. It is he who was at the bottom of the movement that produced the petition; it is he who has made it his business to collect with care every trumpery grievance that any settler could tell him of, and to note it for use against the Resident Agent, without taking the slightest pains to ascertain its truth. It is a matter of simple justice to the Resident Agent to say that the undeserved obloquy under which he has so long laboured is due, in our opinion, to the malignant pertinacity with which John Murdoch has traduced him, more than to any other single cause.

There are a few other particular complaints which have been brought before us, and which require a short notice.

The Case of Franz Max.—This man persisted with great tenacity in bringing forward his grievance. He has sent written communications to the Hon. Mr. Bonar, to Mr. Barff, and to ourselves. He gave full evidence on the subject at Hokitika; at his own request we took him down to Jackson's Bay with us, where further evidence was taken, and where we personally inspected his ground and the house which is the subject-matter of his complaint.

The alleged grievance is that he has been debited with the price of a house which was ill-built, and which he declined to take. The price of the house was £29 18s., and, by debiting him with this sum in his store account, he was found to be in debt at the time he left the settlement in the amount of £14 9s. 3d. He claims refund of the price of the house. The matter has been complicated by the circumstance that the Resident Agent, in pursuance of an arrangement which he was led to believe had been made between Max and one Lipinski for the transfer of the house to the latter, but which arrangement is now denied by Max absolutely, and by Lipinski in a more qualified sense, has debited Lipinski with £14 9s. 3d., the balance of Max's store debt. Our opinion on the case, after a very careful investigation, is this: It is quite certain, from the evidence, that Max agreed to the building of the house, and even pointed out the site for it. He admits, also, that he would have taken the house if it had been well-built, but we place no reliance at all on his statement that the faulty building of the house was the sole cause of his abandoning his land and leaving the settlement. The defects in a cottage of that sort could not have made such a difference as is pretended, and a little extra work, or a small reduction in the price, would easily have adjusted anything wrong. But Max cannot be regarded as a *bonâ fide* settler; his own evidence shows that he never made up his mind to remain. The facts about the house being as we have stated, we think the price was fairly charged against Max, the only question being whether the price was too much. After a personal examination of the house we think it is of inferior workmanship to the others, and, though something was done to amend the defects, yet we are of opinion that some reduction in the price might fairly be made. A reduction of one-half is certainly more than we should recommend if we had to make a strict estimate, but, considering that such a reduction would wipe off the balance of Max's store account, we should have no hesitation in recommending it. By debiting that balance to Lipinski the same object is attained; but, should that arrangement not hold good, we should not recommend that the amount be again debited to Max, as the Resident Agent says would, as a matter of course, be done. In the meantime there is no necessity to do anything, as we consider that, so long as Max is not charged any more on his store account, he has not been illiberally dealt with.

The Case of Tobian.—John and Rudolf Tobian each paid £3 for rent of their sections for two consecutive years. The second payment was not voluntary on their part, the rent having been deducted from their wages by the Resident Agent at the very beginning of the second year. The Resident Agent had received no notice of their intention to abandon the land, and he thought himself entitled to collect the rent. We think, however, he took an erroneous view of the matter. Section 6 of the Conditions of Settlement limits the right to deduct rent from wages to the first year, and prescribes what is to be done in the event of failure to pay rent in subsequent years. Payments after the first year ought, we think, to be entirely voluntary; and we have therefore recommended the claims of John and Rudolf Tobian for a refund of the sum of £3 each.

The Case of Thomas Fell.—Thomas Fell claimed his passage-money from Hokitika to the Bay, which he paid himself. The claim has always been allowed, but he is not satisfied unless he gets it paid him in cash, instead of being deducted from his store account. We think credit should be given for it in the store account, and that he ought to be content with this.

Case of German Settlers.—This is a matter which has been the subject of full discussion and inquiry, as will be seen by a reference to Parliamentary Papers (Journal of Legislative Council, 1876, Appendix No. 4, pages 10 *et seqq.*). The subject has been brought up again by Mr. Peter Helmling, who was very anxious to contradict a statement of Mr. Bonar's to the effect that no one was forced to go to Jackson's Bay. The occurrence took place in February, 1876, when some Germans insisted on landing at Hokitika, instead of going on to the Bay. They were at first refused and afterwards granted admission to the *dépôt*, and Mr. Helmling could not get payment of his charges for the supper he had given them. There is evidence that Mr. Helmling himself dissuaded them from going to the settlement; but, whether he did so or not, we cannot see how compulsion can be inferred from the facts which he has stated.

Case of John Skipper.—This man complains of the loss of his goods. On one occasion the Resident Agent appears to have interfered to prevent his getting his goods taken on board the "Waipara" until his store debt was paid. But the goods were in his own charge then and afterwards, and no evidence appears which would make the Government or its agents responsible for them.

Alleged Assault on a Woman at the Store.—This turned up casually in evidence, and we were requested to have the matter cleared up. It is enough to say that the woman grossly misconducted herself, and it was necessary to put her out of the store by force.

Alleged Assault on Mrs. Klempel by Police Officer.—We heard evidence on this subject at the request of the Superintendent of Police at Hokitika. Mrs. Klempel's husband was arrested on a warrant of the Resident Magistrate in a civil case, and she complained of rough treatment to herself by the sergeant of police. But there is no doubt that she actively interfered to prevent the arrest, and there is no reason to think that Sergeant Barrett used any unnecessary violence. It would seem that the warrant under which the arrest was made was illegal, the Resident Magistrate having mistaken the procedure appropriate to the case. We informed Sergeant Barrett that, in our opinion, the charge against him had not been substantiated.

We have now gone through the tedious task of sifting and giving an opinion upon the complaints which have been made to us—at all events, such of them as are not too trifling, too vague, or too destitute of evidence. No doubt some others might still be found by a careful reader of the evidence, if such could be met with, but it will scarcely be expected that we should enlarge upon the grievance of the settler whom Mr. Marks charged twice for a box of matches, and in whose breast the wrong had rankled, notwithstanding that immediate redress had been given upon the error being pointed out; nor

upon the sale to a working man of a pair of boots which proved incapable of standing the rough work of the settlement, which boots, it casually transpired, were woman's boots and sold at 12s. 6d.

There may be in the pages of evidence a few other statements which appear to be of the nature of complaints against the Resident Agent, but we think they will be found either too vague or trifling to require notice, or to be bare assertions of incidents or conversations, which from length of time can neither be trusted nor disproved, or else they fall into the category of matters discussed under more general headings.

We may now state that the following conclusions are, in our opinion, well established :—

1. That the settlement was formed by public authority, on public grounds, for public purposes, and was not in any sense a scheme got up for the promotion of the interests of one or two persons.

2. That there is no evidence whatever to support the charges of jobbery and speculation made against the managers of the settlement, but that such charges have been disproved, so far as it is reasonable to expect proof of a negative in such cases, and that not the smallest ground has been shown for the insinuations so often made that more regard was shown for the profits of the "Waipara" than the welfare of the settlement.

3. That, of the numerous charges brought against the Resident Agent, some are simply false and slanderous, some misdirected and pointless, and some merely petty and personal. He has had troublesome and thankless duties to perform, and all the spleen of the settlement, the discontent of some, and the rancorous animosity of others have been directed against him. But in his capacity as Resident Agent he has acquitted himself with adequate intelligence and ability, and with unimpeachable zeal, integrity, and humanity.

Prejudice against Settlement.—The fact that the settlement has proved, to a great extent, a failure, is of itself sufficient to account for the greater part of the constant attacks that have been made upon its managers; but the unusual virulence of these attacks is, we think, partly explained by the fact that the scheme has from the beginning had its enemies, who did not desire its success, and who by constant disparagement, which although possibly honest was certainly prejudiced, have contributed something to its failure. There is no doubt that many persons have contemplated with dislike the possibility of the realization of the aims of the promoters of the southern settlement, apprehending that its success would be injurious to the older places on the coast. It has been supposed that Jackson's Bay would become the port of call for the Melbourne steamers, and that the trade and business of Hokitika would be injured; and this feeling has been so strong that we think it impossible, without some reference to it, fully to explain the animus which has been infused into the criticisms which have been made upon the scheme.

Present Condition of Settlement.—From the consideration of personal charges and complaints, we now proceed to the less tedious office of giving some account of the present state of the settlement, of the causes which have led to that state, and of the means by which it may be remedied.

Of the present condition of the settlement we have enabled ourselves to speak by a personal visit to every part of it, and by the most careful observation which, as visitors not pretending to be experts, we were able to make, of the natural features of the place, the harbour and the rivers, the forests, the soil, and the sections which had been allotted to settlers, and the work done upon them. Immediately upon our arrival at the Bay we visited the Smoothwater Settlement, which is within an easy distance of the landing; and the next day we proceeded to the Haast, which is the northern boundary of the special settlement block of 60,000 acres. From the Haast we returned to the Bay, stopping to see everything of importance on our way, and walking through the settlements that had been laid off at different centres. We have thus seen all that has actually been done in the way of improving the land at the Haast; the Okuru Settlement, with its three rivers; the Waiatoto; and the Arawata; and have been able to form some opinion as to the reasons why those places have been so largely abandoned.

Smoothwater.—The Smoothwater Settlement is totally deserted, and its aspect is certainly very desolate and discouraging. There is a good foot-track to this place from the bay, and the visitor who follows this will come upon clearing after clearing upon one or the other bank of the stream that winds through the valley, each clearing having its cottage, with or without its garden and outbuildings, but all alike deserted and dismal. The most obvious cause of the desertion of these homesteads, which at once presents itself to the notice of the casual observer, is the flooding of the river, of which the indications are evident. But it is equally evident that this evil has been very much aggravated by the extreme recklessness with which the settlers have felled the timber into the river. With a very winding stream running through a valley which it easily overflows, it is of course of the utmost importance to keep the channel unimpeded; but where at every bend of the river a dam is formed by trees of all sizes, it must follow that many floods will be caused which would never otherwise have happened, and that inevitable floods must be greatly increased and prolonged. This is the same kind of reckless imprudence as that which leads the holders of ground on the larger rivers of this coast to begin their operations by cutting down all the trees close to the river, although the most ordinary use of their eyes might show them that by this means the ground which would otherwise well reward their cultivation will very soon be converted into a waste of stones. The Smoothwater settlers had so many unavoidable difficulties to contend with, and some of them did so much good work, that we could not help regretting that by want of forethought they should have contributed so much to their own failure.

The selection of Smoothwater as a site for settlement appears to have been due to the recommendation of Mr. Browning, one of the surveyors, who, in exploring the country, had occasion to traverse this valley. He was favourably impressed with its appearance, and thought there were 5,000 acres of land available for settlement. This estimate was far too high, the true area being about 1,600 acres, and the other features of the place were such that had Mr. Browning duly considered them, he would perhaps have modified his recommendation. The good land is too small in quantity, and too much confined to a narrow strip along the river-bank, to admit of being cut up with advantage into 50-acre sections. This course was however adopted, and the sections were eagerly taken up, and many of them, after maturer inspection, abandoned. But those who remained were the means of inducing their countrymen, Germans and Poles, who arrived afterwards, to take up their sections there also. This they

persisted in doing against the strongly-urged advice of the Resident Agent, who recommended them to go to the Okuru or the Waiototo. But the vicinity of Smoothwater to the Bay and the provision store, and the presence of their countrymen, outweighed these prudent counsels, and the Smoothwater sections were selected. The perversity shown by foreigners, who could not be supposed to rely upon their own experience, in rejecting the advice of the Resident Agent, is remarkable, and lends some colour to his assertion that there were persons who made it their business to whisper into the ears of the foreigners things likely to discredit him in their estimation, and to make them suspect that in everything he said he had some sinister motive. A curious instance of this came under our notice. A foreigner at Smoothwater had built his cottage near the river-bank, where it was obviously exposed to floods, and he persistently refused to put it on a safe terrace immediately at the back. Afterwards, when he was forced to abandon his holding, he admitted that the sole reason for this obstinacy was that he had been told that the Resident Agent knew that there was gold on the site selected by him, and for that reason wanted him to quit it. We have said that some of these settlers did very good work on their sections, and, although we agree with much that has been said about unfit persons having been sent to the settlement, we must bear our testimony to the good and thorough kind of work which we saw on some of these Smoothwater sections. Some of it indeed was too good and thorough for the circumstances. In clearing the ground for grass, the largest trees had in many cases been felled and removed, a quite unnecessary labour where the object is to obtain grass quickly, as the experience of the Okuru clearly shows. On one clearing we found that the heavy timber had been removed and placed along the river-bank, and the interstices filled with earth and sods, so as to form for several chains in length a good barrier against floods. It is lamentable that such industry should ultimately fail of success; and, should steps hereafter be taken to enable the District of Jackson's Bay to develop the resources which we believe it to possess, we hope the persons who have shown themselves so capable of becoming good colonists may have the opportunity, if they wish, of returning to their land. In the meantime, the Smoothwater Settlement is serving no useful purpose, except that of maintaining a few head of cattle, which find plenty of subsistence in the bush and on the abandoned clearings. For this purpose the place is very well adapted, and the land will doubtless be in request whenever there is any business doing at the Bay.

The main facts relative to the Smoothwater land, besides what we have stated from our own observation, will be found in the evidence of Mr. Mueller, the Chief Surveyor, and Mr. Macfarlane, the Resident Agent. There can be little doubt that this selection of Smoothwater, and the allotting it in sections to the early settlers, was one of the mistakes which have contributed to the ill success of the whole scheme. Had the settlement generally proved a success, land would have been in request, and the limited area at Smoothwater would then have come in conveniently to meet the demand; but it was made use of unseasonably, and in a disadvantageous manner. Besides the time and labour of the settlers which have been thrown away upon it, the road to it has cost £1,371, a sum which, although it might fairly have been spent upon it at a later period, was misemployed then, and which, had it been spent upon a wharf instead, would have caused a very different condition of things from that upon which we are now reporting.

Arawata.—The Arawata Settlement, on the river of that name, about two or three miles from the Jackson's Bay landing, must not be confounded with what is known as the Arawata Township, which is at the landing. The Arawata is the site of the so-called suburban sections of ten acres, and it is here that the saw-mill has been erected. By the conditions of settlement each man was to have a suburban section of ten acres and a rural one of fifty acres. The ten-acre allotments were laid off at the Arawata, but they have nothing suburban about them except the name, there being no town to which they are contiguous. But there was not sufficient land at the Arawata to accommodate all the persons who desired to settle there with fifty-acre sections, and it was thought that the ten-acre sections would be quite enough to employ them at first, and would keep them within reach of the works on which they were to be employed. The expectation that before these ten-acre areas should be cultivated the business of the port would become so large that the Arawata lands would find a ready sale, may seem by the light of the event slightly extravagant, and there is no doubt that the interval of some miles interposed between the suburban sections at Arawata and the rural ones of the same owners at the Waiototo or the Okuru has been productive of some inconvenience. But it is by no means clear what better arrangement could at the time have been adopted, or that any other course would have given more satisfaction than the one decided upon.

The homesteads at Arawata are not all abandoned like those at Smoothwater; on the contrary, many are still occupied, and a great deal of good work has been done. But the settlement languishes for the want of some such stimulus as we trust will yet be supplied when means are found to keep the saw-mill at work. In the meantime great credit is due to some of the settlers for the exertions they have made to establish comfortable homesteads amidst great difficulties. Prominent amongst these is Mr. Jackson, who occupies the most remote section of all at the end of the road, and whose place helps materially to make one forget the dismal appearance of the deserted habitations which are too numerous on the special-settlement block. We were also glad to find that some of the men upon whose conduct with reference to the petition we have had to comment with some severity have shown that, however misdirected their course might be amongst the intricacies of meetings, and memorials, and written statements, they can see their way clearly enough when the axe or the spade is required. Some of these men have got work on the Haast Pass Road, and we hope they will not want so much encouragement as may induce them to remain, or to employ their strength and energy in retrieving, as far as may be, the affairs of the settlement. The land at the Arawata seems to require some judgment in draining off the surface-water. Its quality, although inferior to the Okuru, seems to be mostly good enough to yield a fair return to labour and cultivation.

The saw-mill at the Arawata has now stopped work, and we see little prospect of its resuming it until a wharf is constructed at Jackson's Bay landing, upon which timber may be stacked for shipment. One shipment was sent away shortly before our arrival at the Bay, but for want of a wharf the steamer "Waipara" had to be sent from Hokitika to get the timber vessel loaded, and the necessity of

incurring such an outlay as this has proved fatal to any further development of the timber trade. Whether the Arawata Settlement will be able to survive the extinction of all hope of a resuscitation of this industry is doubtful, but we trust this experiment will not be tried.

Okuru.—The principal site of the fifty-acre sections is on the Turnbull, one of the three rivers which open into the common outlet or estuary known as the Okuru. In the desolation of its abandoned homesteads, this settlement, although not so entirely deserted as the Smoothwater, yet to a considerable extent repeats on a larger scale the experience of that place, but the reasons of its desertion are not equally apparent. Floods have been alleged as a cause; and there can be little doubt that, during the almost unexampled continuance of wet weather that has prevailed on the Coast, the water would prove a serious difficulty upon some of the sections. A single visit could not enable us to express a decisive opinion upon this point, but from all we are able to gather we are inclined to believe that floods could not of themselves prevent the general occupation of the Okuru land. Some of it is free from this danger, and some other parts seem to suffer very little damage from an occasional flood. We are informed—and appearances confirm it—that there is less scour and havoc with floods in this locality than in many others, and that they quickly subside, doing little harm. Upon this point we may refer to the remarks of Mr. Mueller in his report.

A large number of the Okuru settlers were Italians, and we think their unfitness for the work and the life was to some extent the cause of the abandonment of the place. There were no doubt some exceptions to this. We noticed one or two clearings of Italians where so much good work had been done as to make it a matter for much regret that these homesteads should have become tenantless. But as a rule, from the appearances which we saw, and from the information which we were able to gather as to their disposition and habits, we do not think that the Italian settlers at Okuru were the class of men best fitted for the work of settlement in such a locality. We believe that British colonists would have been less easily discouraged, and would have been far more likely to persevere with the undertaking. As an illustration of this, we were pleased to observe the energy shown by Mr. Franklin, a settler who retains and desires to retain his holding in that settlement. Single-handed, he has done more in the way of clearing and cultivating with two months' work than many of the homesteads show as the result of twelve. If all the settlers had been of his style the Okuru Settlement would present a very different appearance from what it now does. The soil is of extraordinary richness, and grows surprising crops of grass, oats, potatoes, and garden vegetables. The river is one of the best on the coast, and the entrance being well sheltered by an outlying reef, the bar presents far less obstacles than usual to vessels going in and out, so that produce could be readily shipped there. There can be but little doubt that the establishment of a timber trade would very soon make the Okuru a highly prosperous settlement.

Both at the Okuru and the Haast we made it our business to penetrate the forest at various points with the view of satisfying ourselves of the existence of timber for saw-mills, respecting which some conflicting statements have been made. Without at present referring to the evidence and opinions of experts, we can ourselves testify to the existence of an extensive belt of pine forest, which reaches for some miles in length, and containing what we should suppose to be a very fair average of straight and well-grown trees of a suitable size for sawing.

Such being the general condition of the settlement as presented to us on our visit, we have now to express our opinion on the causes which have led to its wholesale abandonment.

Pamphlet of Regulations, &c.—The settlement has been carried on under certain conditions, printed in a pamphlet form, together with official reports on the district, and circulated amongst the settlers. These conditions have never been legally validated in any way, and consequently until some steps have been taken for this purpose no title can be given to any of the settlers for their land. But in practice these regulations have been adopted, and the necessary legal confirmation can easily be obtained. Under these conditions the settlers were to hold their land by annual payments of rent, extending over a period of seven years, such payments entitling them to the freehold at the end of that time. The price of the rural land was fixed at 21s. per acre, and that of the so-called suburban lands 42s.—that is, 3s. per annum in the former case, and 6s. in the latter. For the first two years also the settlers were to get work at the road through the block, or such other works as might be undertaken, for half their time—that is, three days in the week at 8s. a day. Temporary accommodation was to be provided them until they could get cottages erected on their own ground.

The most apparent objection to this scheme is the inadequacy of the 21s. a week to maintain a family in that locality, and we find that this point was not overlooked at the time, for Mr. Macfarlane says in his evidence that he advised several persons who made application to him not to go to Jackson's Bay, on the ground that they could not maintain their families on the wages offered by the Government. It would seem, therefore, almost essential to the success of the settlement, under the conditions proposed, that the settlers should not be entirely without means. At all events, without the means of maintaining themselves for a time, none but the most resolute, energetic, and frugal could be expected to overcome the difficulties of the undertaking. But it appears to us that to introduce a population of foreigners, and of destitute foreigners, was to court failure. A careful selection of British and, perhaps, German settlers should have been made, and had this been done we think the failure of the scheme would have been far less signal. We do not intend to disparage the qualifications of Italian immigrants. We are aware that Signor Federli proposed a scheme for forming an Italian settlement at Jackson's Bay, and we do not say that such a scheme could not have succeeded. Much would have depended on the conditions of settlement and the assistance afforded to settlers, but we are speaking of the conditions actually put in force at Jackson's Bay. Another injurious influence exercised by the foreign element is mentioned by the Hon. J. A. Bonar, who says in his evidence that the settlers were continually disheartened by rumours that the Government work was going to be discontinued. And not only in this way, but, we think, in many others, the foreigners were liable to get wrong impressions, which would be very difficult or impossible to remove. A number of needy and ignorant persons in the circumstances in which they were placed would be peculiarly liable to be discouraged to a degree sufficient to insure failure, if there were any who made it a business to fill their ears with mischievous

statements and rumours, perhaps for the very purpose of getting rid of them in order that they might themselves acquire on easy terms the interests so abandoned.

Mr. Bonar's proposal was that the 250 families intended to be placed on the land should be made up, after selecting fifty families from residents already on the West Coast, of persons obtained through Mr. Holloway from the British National Agricultural Labourers' Association, together with a few Shetlanders and Pomeranians; and it appears that it was because these were not sent, and because the Immigration Department had a number of foreigners upon their hands, that he somewhat reluctantly accepted those who were sent.

Upon the whole, we do not entertain any doubt that the unsuitable character of the settlers was one of the causes that have hindered the success of the scheme.

Store.—The next of these causes which requires notice is the Government store. We find among the Conditions of Settlement one to the following effect: "Provisions will be supplied to settlers by Government during the said period at cost price; the amount will be deducted from their earnings during the first two months." We infer from the words of the preceding clause that the period here mentioned means "a period sufficient to enable them to get dwellings erected on their own sections"—that is, while they were residing in the Government cottages. It would appear, therefore, that the Government store was only intended as a temporary measure, and it was supposed that there would be no necessity for giving credit after the first two months. As a matter of fact, however, the store was not transferred to private hands until the 1st January, 1878, and credit was largely given to the settlers up to that time.

We think it would be difficult to exaggerate the baneful influence of this store in demoralizing the settlers, and in taking from them all inducements to that strict frugality which we have already mentioned as an indispensable element in securing the success of the settlement. The credit obtained at the Government store has undoubtedly been the cause of much of the poverty and most of the discontent which have existed. An examination of the settlers' pass-books, of which we have seen a good many, confirms the suspicion that they readily, if not designedly, ran up debts at the Government store, probably under the impression that they would not be pressed for the money. The system adopted was that of making deductions on the store account when the wages were paid. The deductions made were at first of such amount as might be arranged between the Resident Agent and the settlers, due consideration being given to the size of their families, and their circumstances. The amounts collected were paid into an account at the bank called the "Store Account," and were again available for the purchase of stores. At length, when this bank account showed a considerable balance on the wrong side, instructions were given to the Resident Agent to use every effort to collect the debts, and this seems to have been the origin of most of the grumbling against him. Another reason for pressing the collections was the approaching transfer of the store to a private owner, by which the recovery of the moneys would be made much more difficult, for no one would buy the store if a heavy debt due to the Government were made a first charge upon all the wages in the district. Accordingly most of the complaints made against the Resident Agent about money matters refer to this period, and there is no doubt he could not have complied with his instructions without provoking a good deal of dissatisfaction and ill-feeling. After the transfer of the store to Mr. Marks, an arrangement was made for the deduction from the settlers' wages of a moderate amount for the back debts, which was fixed at first at £1. per month, and afterwards at 20 per cent. upon what was coming to them. This, notwithstanding its apparent reasonableness, has been a fertile source of discontent; which confirms the notion that these debts were incurred, in many cases, in the hope or expectation that payment would never be exacted at all.

The result of the whole business is that about £3,800 are now due to the Government for store debts, and that a large number of the persons owing this money have had their passages paid away from the settlement by the Government, and their debts—we must suppose—virtually cancelled, leaving the industrious and persevering few with their debts still due, and the deductions from their wages still going on.

It appears that the Provincial Government entered on the storekeeping business with great reluctance, and only after attempts to induce private persons to take it up. In these circumstances it would probably have been better, as suggested by Mr. Mueller in his evidence, to have given a subsidy for a time rather than for the Government to keep the store itself. No one who has observed the way in which a store of some kind follows even a small rush of diggers, or a party of road men engaged on a work of any duration, will doubt that in a moderate time private enterprise would have supplied all the provisions required at Jackson's Bay. At all events the evil might have been diminished had positive instructions been given to the Agent to give no credit, except for flour and a few of the chief necessaries of life, and if present payment had been required for tins of jam and bottles of Worcester sauce. If there is any point in which the discretion of the Resident Agent may be called in question it is in this matter of allowing the settlers to incur such heavy debts. Upon this subject, his own remarks given in his evidence may be referred to, and we certainly think that he is entitled to a lenient judgment in this matter. Whatever want or suffering the settlers have had to undergo has been visited upon the head of the Resident Agent, and, if he had been strict in the supply of stores, we should probably have heard still more of the tyranny and oppression exercised by him.

What we have now said, together with our previous remarks upon particular charges and complaints, will show what amount of truth is at the bottom of the vague and pointless talk about "truck," "orders on a particular store," and the like. There was no attempt made, nor had any one connected with the Government any interest in making an attempt, to compel settlers to take goods at any store whatever; but yet in truth, although not in the manner these people imagined or chose to assert, the Government store was at the bottom of a large part of their grievances.

No Industry established.—The next and, in our own opinion, the most important cause which has hindered the progress of the settlement is that no direct means have been taken to establish and foster any local industry. The available means have been used up in placing the settlers on their land, in feeding them for a time, and in making means of communication from one part of the block to

another: but the establishment of an industry, the provision of the means of producing something for sale, and of exporting it, the only thing that could justify all the outlay by insuring the success of the undertaking—all this has been left to take care of itself. Now, the one industry at Jackson's Bay which can be relied upon as immediately available is the sawing of timber, and the one thing necessary to enable this industry to be carried on is the construction of a jetty at the landing in the Bay upon which timber may be stacked for shipment. We firmly believe that, if a substantial jetty had been built at the outset, nothing more would have been necessary than the making of suitable timber reserves, and the apportionment of the land in allotments upon an easy system of deferred payments, to insure the formation of a prosperous settlement, the roads and interior works of which would have followed in due course. In that case both the Government store and the importation of the foreigners might have been dispensed with, but even with these millstones about its neck the settlement could hardly have sunk.

In the conditions of settlement, we find a statement that "the Government are prepared to grant special concessions to private enterprise involving the employment of labour and capital, in the establishment of saw-mills, brickworks, fisheries, collieries, or other industries." It does not appear that any steps have ever been taken in this direction; and in a letter from the Under Secretary for Immigration to the Hon. J. A. Bonar, dated 13th August, 1877, we find an intimation that "the Government is unable to undertake to provide saw-mills." Of course "to provide saw-mills" was more than the Government had ever undertaken, but this mention of the subject without the suggestion of any mode in which that or any other industry might be encouraged seems to show that the clause which we have already quoted from the conditions was not considered to pledge the Government to any action, at all events unless specific concessions were asked for by private parties.

It must not be supposed from what we have said that the necessity of a jetty was overlooked by the original promoters of the settlement. In the report of the Chief Surveyor dated 11th December, 1874, a jetty is mentioned as a work which, as a matter of course, would be required, and on the 23rd January, 1875, he includes it in a list of works which he assumes are to be forthwith undertaken. It is mentioned also by Mr. Bonar in letters to the Minister of Immigration, sometimes by way of direct recommendation, and sometimes casually as if its necessity was a thing well understood. But all the correspondence on the subject seems to have been closed by a telegram from the Under Secretary for Immigration, dated 10th July, 1878, to the effect that "engineers and practical persons advise that wharf at Jackson's Bay, if erected to stand, would cost £2,500. Under these circumstances there are no funds available, and work cannot be proceeded with."

Recommendations.—This question of the wharf, as it closes our list of important causes which have contributed to the decay of the settlement, so it appropriately first engages our attention when considering what measures we can recommend the Government to adopt with the view of preventing the total waste of the expenditure that has been incurred. The immediate construction of a jetty is the first recommendation which we feel able to make with confidence. Our recommendation is based mainly upon the one consideration that until this work is done there can be no timber trade at Jackson's Bay. The experiment of loading a ship with timber by means of a steamer from Hokitika is not likely to be repeated, but the present saw-mill will remain idle so long as there are no means of shipment. The consensus of opinions as to the indispensable character of this work is so decided that we do not think the cost of £2,500, if indeed it would cost that sum, ought to stand in the way. The sum of £2,500 would be very judiciously expended in opening the prospect of some adequate return for the £29,000 that have already been laid out. But we cannot help thinking it probable that a more careful inquiry might show that a serviceable jetty might be made at a smaller cost. It seems quite possible that a professional engineer, desiring to be on the safe side, might over-estimate the force of the sea in a particular locality, and this, we presume, would be an important element in the calculation. At all events, the general opinion amongst the practical although unprofessional men who have had the opportunity of obtaining an intimate knowledge of the behaviour of the sea at all seasons, is that the jetty could be built for a smaller sum than that named. There will be found amongst the papers a rough plan by Mr. Nightingale, who has been overseer of works from the beginning of the settlement, and who expresses his willingness to tender for such a work as he proposes, and to keep the same in good order for three years.

We are aware that the recommendation to build a jetty must rest upon the certainty that there is sufficient available timber for saw-mill purposes. We have already mentioned the result of our own observation upon this point, and we shall now adduce other testimony. The Chief Surveyor, who in 1874 reported favourably upon this point, accompanied us, and made a more careful exploration than we did, feeling it necessary, in consequence of doubts that had been expressed on the subject, that the question should be set at rest. The result was to confirm his good opinion of the forest timber; and his conclusions, and the data upon which they are founded, will be found in a valuable report which he has handed in to us. It appears that the area of land known to be heavily timbered, and leaving out of question the unexplored forest on the eastern side of the block, may be calculated, by a comparison with the statistics of the timber trade of Hokitika, to be sufficient to keep in constant employment for twelve years three saw-mills, each cutting 50,000 feet per week.

Testimony to a like effect is given by Mr. Haworth, who erected the saw-mill at the Arawata, and who has been in the business for years. He says he is quite prepared to go on working the mill when there is a jetty, being satisfied that the timber is first-class in quantity and quality, and that it will give employment to the settlers for ten years. This refers only to the timber which is to supply the Arawata mill. Mr. Haworth complains in his letter of the stoppage of the work of constructing the jetty, which he says has been the means of preventing the success of his speculation. One of these is from Mr. McLean W. Jack, member of the County Council for the Jackson's Bay Riding, and Mayor of Hokitika. Mr. Jack thinks the wharf would cost about £1,500, and that its construction would insure the success, and its neglect the ruin, of the settlement.

Mr. Cuttance, a settler at the Okuru, also urges the making of a wharf, and in connection with it a steam launch to bring timber from the rivers in the settlement block.

Mr. Edmunds.—Lastly, we wish to call particular attention to the letters from Mr. George Edmunds, which we consider of importance, from the fact that he contemplates settlement on a considerable scale at Jackson's Bay, and that his views are based on a minute and careful personal inspection of every part of the block during a stay of some weeks. Mr. Edmunds says, "The chief of all wants is a wharf. In fact, the Bay is next to useless without a wharf." And again he says, "Referring to saw-mills, I could not advise any party to come to the Bay unless there were some better means than at present of getting the timber away from the various rivers. I think, if a wharf were built, another mill might be erected, when no doubt a small steamer would find profitable employment."

In addition to all this information, we may mention that the Commissioner of Crown Lands at Hokitika has had an application for information respecting Jackson's Bay and the adjacent rivers from another person who is desirous of establishing a saw-mill, and settling several families on the land.

In reinforcement of the reasons which have already been given for the construction of the wharf, may be considered those features that show that the special settlement block is well adapted for settlement, and that the setting on foot of the timber industry would very soon be followed by the making of permanent and comfortable homes, as well as by the utilizing of a port which would be, without exaggeration, of much value to the colony. From this point of view, the land and the harbour deserve attentive consideration.

Land.—The land has had its detractors, who have represented it as good for little or nothing. In answer to this we will again quote Mr. Edmunds. "I have always been," he says, "a warm advocate of settlement at Jackson's Bay, but I had no idea that the greater portion of the land was so good. To my mind there is no question of the ultimate success of the district. Any way, I think so much of it, after a two months' residence here, listening continually to the croaking of its strangely ill-adapted population, their real or fancied grievances, and their innumerable wants, that I shall still endeavour to obtain land to settle on, and to induce men suitable to the occasion to settle here also." Upon this subject we may refer to the Chief Surveyor's remarks in his report already mentioned. To his opinion we add our own decided testimony, and if any more corroboration were required it would be found in the fact that some of the settlers are making good progress with their land, and are desirous of keeping it, which would not be the case if they had not a good opinion of its quality.

Harbour.—We shall not dwell at any length upon the attempt to prove the excellence of the anchorage at Jackson's Bay, because we are satisfied that the more the matter is inquired into the less possible will it be for ignorance, prejudice, or timidity to obscure the truth upon this question. We content ourselves with a reference to the report of the Chief Harbourmaster for Westland, dated 8th December, 1874, and to his evidence given before us, as well as to Mr. Mueller's remarks in the paper before quoted. The result of all investigation seems to be that Jackson's Bay offers a good and safe shelter to vessels of all sizes at all times of the year and in all weathers. The only question that has ever arisen, so far as we know, is as to the probable effect of a north-east gale, that being the only quarter concerning which any apprehension need be entertained. Upon this point Captain Turnbull says, "I have not experienced any gale of wind there that would endanger a vessel in the bay—no ordinary gale would do so. I do not think any wind comes in there which would, with proper precaution, drive a vessel ashore." Vessels have been known to lie there safely for months at a time. Quite recently the "Mary Ann Denison" lay there for six weeks, during which time there were some strong northerly gales; and, lastly, during our own three weeks' stay at the Bay, the "Stella" experienced some considerable gales from the reputedly dangerous quarter. We think that Captain McKersie might be asked to report his experience and give his opinion on the subject.

We think then that, looking upon the harbour as a possession of colonial importance, and the only good harbour on the coast, as Mr. Bonar says in his evidence, from which a readily-available outlet exists through the ranges which separate the West Coast from the rest of the Island; taking into consideration the excellence of the land, which will invite and maintain a permanent population of agricultural settlers; and, lastly, having regard to the timber trade, which only requires ordinary facilities for shipment to enable it to spring up and flourish, we have shown a strong case for the construction of a wharf.

Conditions of Settlement.—Our next recommendation has relation to the conditions of settlement, which much require to be revised, put upon a better footing, and legalized.

By the lapse of time and the repeal of Statutes it became impossible to legalize the conditions which had been acted upon, but power to remedy this was given by "The Volunteers and Others Land Act, 1877," section 4. Suitable regulations would doubtless have been drafted and gazetted before this time, but, the appointment of the Commission of Inquiry being monthly or weekly expected, it was thought better to defer any action until after the report. Our recommendations upon this subject will be brief, and confined to leading principles.

The first thing is to take immediate steps to ascertain definitely who of the special settlers have forfeited their land, with the view of taking some such action as provided by clause 6. By this means the business will be greatly simplified by the elimination of a large number of persons, and their holdings will be capable of being dealt with. The surplus, if any, coming to these persons under clause 6 might or might not be set either in whole or in part against their store debts, according as the circumstances and equity of each case might seem to require.

In order to carry out the above recommendation without harshness to any, we think it would be desirable to fix a day after which all holdings, of which the conditions should not have been complied with, should be declared forfeited, unless application be made on or before that day, showing reasons to the contrary. Such notice should refer to those concerning whom there may be a reasonable doubt whether they have definitely abandoned their holdings. Some are, beyond all question, so abandoned, and the proper steps might be taken at once in respect of them.

Transfers.—It will be found that some of those who have given up their holdings have transferred their interests to other persons. It seems very questionable whether this can be recognized. Not only is it directly contrary to the spirit of the conditions, but it opens the door to much abuse by providing persons, who think well enough of the place to be desirous of acquiring land there, with a direct motive

to traduce it to the more ignorant, particularly foreigners, for the purpose, by working on their fears and apprehensions, of buying them out cheaply. But there might be no objection to the recognition of transfers for the future, if proper rules are framed for effecting them.

Size of Sections.—The next point to be considered would be how to attract and keep a good class of settlers, by offering them land on a system of deferred payments, the conditions of which should not be too onerous. We certainly recommend that larger sections than the present ones of 50 acres should be offered to the settlers. Mr. Edmunds, in his letters already referred to, dwells strongly on this point, and we think it would be very desirable to have some sections of 150 acres for families who desire that quantity.

Price and Term.—We recommend that the purely arbitrary classification of the 10-acre sections as suburban land be done away with, and that these lands, which are as truly rural as any others, be valued at the same price. We think that price ought to be fixed at 20s. per acre, and we advise that this sum should be made payable by instalments of 2s. per annum for a period of ten years.

With respect to the management of the settlement, we recommend that it be put under the general direction of the Land Board, which body is now the legal judge whether the conditions of settlement have been fulfilled, so as to entitle the tenant to a Crown grant. We further suggest, as a matter deserving the attention of the Government and the Land Board, that it might be very convenient to establish a local Land Office at Jackson's Bay, under the powers given by "The Land Act, 1877." In this case we recommend that Mr. Macfarlane, the late Resident Agent, be appointed District Land Officer. The settlement would require some local supervision, and we have been asked to say whether we think the re-employment of Mr. Macfarlane desirable. Now, however thoroughly we may consider Mr. Macfarlane exonerated—and we do so consider—from the charges so unscrupulously made against him, we are yet aware that when bitter feeling has been once excited it is not always easy to make things work smoothly again. Therefore, if it had been a question whether Mr. Macfarlane should be re-employed in the same manner as before, even if we thought that justice required the recommendation, we should have felt some misgiving in making it. But the circumstances are now so changed that we feel no hesitation on the subject. Numbers of the persons concerned are gone away; the store is a thing of the past; the duties of the local Land Officer will be simple and well defined, and we see no reason for apprehending any difficulty. We think the office we have mentioned, or some similar one, will be necessary, and we believe Mr. Macfarlane, from his knowledge of all the circumstances of the settlement, and the interest he has always shown in its success, is the fittest person who could be appointed.

Upon the subject of the conditions and general management of the settlement, we believe that our report will shortly be followed by a more detailed communication from the Commissioner of Crown Lands, who, having acted on the Commission, will be aware of the views we have agreed in taking on any point which we may not have here set forth with sufficient fulness.

We have already mentioned the apparent inequality of dealing with the settlers arising from the fact that the most industrious of them are still left saddled with their store debts; whilst the rest, including many idle and worthless, have been taken away at Government expense. Perhaps some relief might be given to those who remain by permitting every payment to count for double its value in reducing the debt, upon proof of certain conditions in respect of improvements on the land having been complied with.

Paringa and Haast Track.—The next point of importance which we must mention is the necessity for completing the twenty miles of road between the Paringa and the Haast. If what we have said of the features of the special-settlement block has any force, it will also afford a good reason for completing the communication by land between the settlement and the rest of Westland, especially when the same work will also complete that between the whole of the West Coast and Otago.

We do not wish to multiply recommendations. If effect be given to those we have already made, we believe the future of the settlement is safe. We may, however, mention one or two minor points.

Steam Launch.—A small subsidy for a year or two to a small steam launch, to be used for bringing timber rafts from the river to the wharf, might be money well expended.

Repairs.—Much saving might be effected by authorizing the officer in charge to expend small sums in doing necessary repairs to roads, before the damage increases to such an extent as to render the repairs costly. We took it upon ourselves to authorize Mr. Macfarlane to spend, in this way, a sum of £30 or £40 which he had received in payment of store accounts. We thought ourselves justified in doing this from the manner in which the money was obtained. Some settlers whom we brought away with us in the "Stella" were ascertained to have been lately receiving money, and, on this coming to our knowledge, we refused to take them unless they paid something on their store account. Much demur was made to this; but eventually the money was forthcoming, and one man, who had previously appeared very needy, produced a £20 note, out of which he paid £10 towards his store debt. We thought this money could not be better spent than in doing a few little repairs that were necessary; and we think a similar outlay from time to time would be economical. An instance of small matters which might be dealt with in this way came under our notice in the shape of two graves on the beach at the landing, the contents of which might be transferred to the cemetery with much advantage to good taste and propriety. Mr. Mueller says the maintenance of all the roads in the settlement will not exceed £400 a year.

The recommendations which we have made constitute, in our opinion, by far the most important part of our report, since they deal, not with the grievances and errors of the past, whether imaginary or real, but with the requirements of the present and the prospects of the future. We make them with all confidence in their soundness, and submit them for the consideration of the Government in the full belief that by their adoption, and by that alone, an adequate result may yet be attained for the money that has been spent, and the failure of the Jackson's Bay Settlement may be converted into a success. But, of measures that have been or may be suggested, the wharf is the one of supreme importance, and that which we feel ought to be urged in season and out of season. In short, if we may be allowed to paraphrase an ancient saying, to the question, What is the first requirement of Jackson's Bay? we

should answer—A jetty; and to the question, What is the second? we should answer—A jetty; and if asked, What is the third? we should still answer—A jetty.

And in view of the fact that there are persons now waiting, and abstaining from other pursuits, with the intention of making their home at Jackson's Bay if the Government decides to supply this prime requisite, we may take the liberty of recommending prompt action in this matter by the quotation of another old saying, to the effect that "he gives twice who gives quickly."

Conclusion.—We fear that the record of our proceedings can hardly fail to produce the impression that we have spent much valuable time in the investigation and discussion of matters in themselves utterly unimportant and frivolous; but we could not know them to be of that character without investigation and discussion, and we have thought it better to be charged with too much minuteness and prolixity rather than give to any an opportunity of saying that we had cut anything short, or shunned any line of inquiry that seemed likely to yield information. It was with this view that we have not only listened to evidence which we considered irrelevant, but have obtained returns and statistical information which some might regard as unnecessary. Mr. Barff, who has always shown much anxiety that the inquiry should be thorough, appears to have thought that an accountant ought to have been on the Commission. We do not know whether his opinion was that all the accounts of the settlement ought to be audited over again, nor by what grounds of suspicion such an opinion could be supported. But, on the supposition that Mr. Barff, and perhaps others, had a general feeling that the inspection of the accounts would show some unfair dealings with the settlers, we caused returns to be prepared for his satisfaction. These returns show the earnings of the settlers, the stores supplied to them, and the amount of their debts. The second reproduces the information of the first in a more elaborate shape, and with additions. If we have not misunderstood Mr. Barff, he has expressed himself as satisfied that a return of this kind was all that could reasonably be expected.

We have been indebted to Mr. Patten for much valuable evidence and information; and to Mr. Mueller, the Chief Surveyor, for the most active assistance in every stage of our inquiry, for personal guidance and information in travelling over the district, and for the most elaborate returns, maps, statistics, and reasoned opinions. We have also to acknowledge the courtesy of many other gentlemen, and their readiness at all times to attend our sittings upon the slightest intimation that their evidence might be required.

To conclude: If the voluminousness of our report exceeds its interest, as it certainly surpasses our wishes, we trust we may have the satisfaction of thinking that our labour has not been quite useless; that we have, perhaps, set at rest many doubts, dissipated many prejudices, and refuted many slanders; and of hoping that our conclusions may enable the Government to deal more confidently with the question, the atmosphere surrounding which has been so long obscured by distorted views, and disturbed by dissonant voices, that any knowledge of the truth of the matter began to seem a thing hopeless of attainment.

HENRY BUNNY, Chairman.

J. GILES.

CALEB WHITEFOORD.

No. 3.

The Hon. J. BALLANCE to Mr. BUNNY.

SIR,—

Immigration Office, Wellington, 11th June, 1879.

I have the honor to acknowledge the receipt of your letter of the 29th May, addressed to the Hon. the Colonial Secretary, transmitting the report of the Royal Commissioners appointed to inquire into the working of the special settlement at Jackson's Bay. The Government desire to thank the Commissioners for the very careful manner in which the report has been prepared, and to state that it will be presented to the General Assembly, by command of His Excellency the Governor, at the approaching session.

The valuable suggestions of the Commissioners as to the requirements for the future success of the special settlement will receive due consideration from the Government.

I have, &c.,

J. BALLANCE,

Henry Bunny, Esq., M.H.R., Wellington.

(for the Minister of Immigration.)

CORRESPONDENCE RELATING TO THE KARAMEA SPECIAL SETTLEMENT

No. 1.

The CHAIRMAN of the JACKSON'S BAY COMMISSION to the Hon. the COLONIAL SECRETARY.

SIR,—

Hokitika, 3rd April, 1879.

Referring to your letter of the 17th January, 1879, No. 92, in which you say, "It would also be desirable, if you could conveniently do so, for you to visit the settlement at Karamea, in order that the Government may have some information respecting it, and, if necessary, take steps for removing the settlers," I have the honor to inform you that, on the arrival of the "Stella" at Westport, I learned that it would not be safe for the "Stella" to attempt entering the Karamea River, and that the expense of obtaining the services of the s.s. "Result" to tender the "Stella" and land myself and Mr. Whitefoord would be about £40, in addition to the expense that would be incurred by the detention of the "Stella." In the absence of any information that would justify our incurring such an outlay, Mr. Whitefoord and I determined on asking Mr. Broad, R.M., of Westport, who had lately resided at Karamea for about a month, to furnish us with a report as to the position and prospects of the settlers, and this Mr. Broad has now done.

The residents at the Karamea have also taken advantage of the opportunity to submit certain proposals to the Government, as to the issue of leases for the land held by them, &c.

As it would be impossible for either Mr. Whiteford or myself to visit Karamea now, I forward all the documents referring to the settlement, from which you will be able to determine whether any further inquiry should be made or not.

I have, &c.,

HENRY BUNNY,

Chairman of the Jackson's Bay Commission.

The Hon. the Colonial Secretary.

Enclosure in No. 1.

Mr. J. SIMPSON to Mr. BROAD, R.M.

SIR,—

Karamea, 10th March, 1879.

At a public meeting held this afternoon, at which all the residents in the district were present with about five exceptions, the following resolutions were unanimously passed:—

"1. That this meeting learns with regret that it has been represented to the Government that the settlers are desirous of leaving their homes in the Karamea to settle at Wanganui, as the statement is the reverse of being true."

"2. That a short account of the Karamea Settlement be prepared and forwarded to the Government through Charles Broad, Esq., such account to point out the errors in its past management, and the best means to rectify them."

"3. That the Government be respectfully asked not to issue the leases for their land for twelve months."

"4. That Messrs. Simpson, Black, King, and Ray be appointed a Committee to draw up the statement."

I have, &c.,

JAMES SIMPSON,

Chairman.

Charles Broad, Esq., R.M., Westport.

Sub-Enclosure to Enclosure in No. 1.

KARAMEA SPECIAL SETTLEMENT.

THE first settlers, numbering thirty heads of families, landed at Karamea in November, 1874. Before leaving Nelson, each one was furnished with a printed copy of Rules and Conditions of Settlement, by the Nelson Provincial Government. In these conditions are the following:—

"No. 4. That rations be served out to those requiring them, for the seven months they are engaged on public works, at cost price, &c.

"No. 5. That an allotment of fifty acres of land, also an allotment of about five acres, be leased to each head of a family, &c."

A second code of rules was issued a short time afterwards, which contained a clause to the following effect: "That any one who created a disturbance should be expelled the settlement."

As regards the 4th condition it was ignored; and the 5th was but partially carried out.

The land on which the settlers were located is on the South Terrace. Only 25 acres was allotted to each head of a family at first: afterwards another 25-acre block was granted, but at such inconvenient distances from the first allotments that, had the land proved even moderately good, practically the second allotment would have been useless. The 5-acre block has not been granted at all.

For a time, at first, work was provided as agreed to by the Provincial Government, and the men were employed track-making (the widest one does not exceed 8 feet in width). This lasted but a short time, and then for months the settlers were unable to obtain Government work, and consequently were getting into debt at the store. After two years' trial of the land on the South Terrace, it was found so worthless that, with improvements, it had to be abandoned.

Employment was then provided the settlers on the track between the Little Wanganui and Mokihinui Rivers, some seventeen miles from their homes; but after working for some time they found that in many instances it was not possible to earn sufficient to keep them in food, although only consuming bare necessities, and some had neither decent clothing, nor had they sufficient bedding without depriving their wives and children of what was requisite. Under these circumstances many objected to work so far from home—a circumstance which has often been advanced without furnishing grounds for the settlers declining work on that track in the winter months, always wet, half-fed, and where, in many places, the sun could not penetrate.

The following were some of the causes of dissatisfaction, and caused many of the settlers to leave the settlement:—

1. The unsatisfactory way in which the store accounts were kept. For instance, some of the men, after working hard for months, were anxious to know how they stood. If they were persistent with their request, they were served with three days' allowance of ship-biscuit, and told to "travel." At another time, in answer to their application, they would be told that they had money to their credit, and in a few days afterwards, without increasing their account at the store, they have been informed that they were considerably in debt.

2. The high prices charged for provisions.

3. The account-books not being produced at the inquiry conducted by Mr. Mackay, and the striking out, or omission, of the evidence given that would damage the manager. Nearly all the settlers are convinced that if those accounts are strictly examined considerable sums are due to them.

4. No cash was paid for work done, although the settlers, at least several of them, were obliged to give receipts for money they never saw. These accounts were received by O'Connor and Dolphin for

cattle, for which the settlers had to pay from £12 to £20 for very inferior animals. They were compelled to purchase these cattle, or else work and food was stopped.

5. The total absence of roads. Notwithstanding the reports and lithographed plan furnished the General Government by the late Nelson Provincial Secretary, showing the roads "cleared and made," the first yard of road has yet to be made in the Karamea Settlement.

The above, with other grievances, disheartened some of the settlers, and they left the district in disgust.

At a more recent date, interested persons have busily circulated the report that the Government considered the settlement an utter failure; that no roads were to be made; and that the subsidy to the mail steamer was going to be withdrawn. Some were actually frightened away by these reports.

Notwithstanding all these drawbacks, there are still forty-four householders, thirty-six women, and seventy-three children who are determined to make Karamea their homes.

There are thirteen gold-miners in the district, and, should the Government encourage them by making tracks, so that they can get provisions to the workings without risking their lives, a large addition to the number following this branch of industry could be confidently reckoned on, as some excellent gold has been won from the Karamea River beaches.

The present charges for conveying produce to Westport, and goods from Westport to Karamea (£2 10s. per ton), by the subsidized steamer, are exorbitant, and barely leave any return to the settler for his labour.

The remedy for this would be the placing the beacons in trustworthy hands, so that the Anchor Line of boats could call weekly for a reasonable subsidy, thereby enabling the settlers to profit by the advantage of having three markets for their produce, instead of, as at present, Westport alone, and that but once in six weeks.

If the farming parts of the settlement were opened up by roads, so that the farmers could get their produce to port, and the issue of the leases for the land postponed for twelve months, it would insure a prosperous community, whose numbers would soon be augmented.

It is worthy of remark that since the district has been under the management of the Buller County Council more real benefit has been conferred on the settlers in the way of useful tracks, by the expenditure of about £400 in their construction, than by the most mysterious disappearance of many thousands of pounds under the former management and horrid truck system.

No. 2.

The Hon. J. BALLANCE to Mr. BUNNY.

SIR,—

General Crown Lands Office, Wellington, 25th April, 1879.

I have the honor to acknowledge the receipt of your letter of the 3rd instant, addressed to the Hon. the Colonial Secretary, and, in reply, to thank you for the information which you have afforded respecting the special settlement at Karamea. It is satisfactory to note that the settlers are pleased with their present position and future prospects.

H. Bunny, Esq., M.H.R., Wellington.

I have, &c.,
J. BALLANCE,
(for the Minister of Lands.)

By Authority: GEORGE DIDSBURY, Government Printer, Wellington.—1879.

Price 1s.]

4—H. 9.

