D.-No. 7c. CORRESPONDENCE RELATING TO OTAGO IMMIGRATION.

In the event of the Agent-General declining to agree to this proposal, you are hereby empowered to resume the status quo ante, and to make the necessary arrangements for despatching one ship a month with assisted emigrants, provided the total amount does not exceed £12,000 for the twelve months, commencing with the first ship. This is the sum voted by the Provincial Council, irrespective of the expense of the Agency. If it can possibly be arranged, I should like that at least two ships in the year should land their passengers at Bluff Harbour.

As to the proportion of passage money (if any) payable by the emigrants, you will have to be guided to some extent by the Colonial regulations; at the same time the Provincial Government, having every confidence in your wisdom, will leave this matter very much to your discretion. As a rule, probably £5 per statute adult would be sufficient allowance, the emigrant giving promissory notes for the difference.

You will observe that I have no desire, but the contrary, to adopt any action which might tend to cripple the efforts of the Colonial Government in its immigration policy; at the same time, it is so manifestly important that the future character and extent of emigration to Otago should not be contingent upon any change in the practical administration of the Agency at home, that in the interest of the Province, the Provincial Legislature has, I am glad to say, unanimously decided upon maintaining the Home Agency upon its former footing.

In conclusion, I have only to express an earnest hope that you will be able to arrange matters with the Agent-General, so that the agency may be carried on and perform the same functions as heretofore

under the Colonial scheme. I can see no practical difficulty in the way of this.

I have, &c.,

JAMES MACANDREW,

John Auld, Esq., W.S., Otago Office, Edinburgh.

Superintendent of Otago.