has been made above, was to take measures for the organization of the Department in the various Provinces.

The first step was the adoption of the system in use in the Canterbury Province, which, after careful revision of the immigration systems of all the Australian Colonies, was found to be the simplest, and at the same time the most complete in all its details; and I have to acknowledge the valuable aid and information rendered me by J. E. March, Esq., the Immigration Officer of the Middle Island, to whom, I understand, is chiefly due the perfection to which the Canterbury system had been brought.

I was then instructed to accompany the Hon. Mr. Ormond on a visit to the different Provinces, with a view of providing the necessary barrack accommodation, &c., at the several ports for the reception of immigrants. As the result of that journey, it was found that the old military barracks at Wellington, Napier, Auckland, and Taranaki afforded ample accommodation, with little alteration, for the reception of 300 to 400 immigrants at a time, at either of those ports. These have all now been put into order for immigration purposes, and the cost of the necessary repairs and alterations has been as follows:

Wellington £762 17 Auckland 314 14 8 ... ... ... Napier Taranaki } Only a small expenditure required.

My attention was then directed to the selection of sites for special settlements in connection with the Public Works authorized by the General Assembly.

For the purpose of obtaining information on this subject, I made two journeys through the Seventy-Mile Bush, between Napier and Wellington. I also explored the Paræ Karetu, a block of 47,000 acres lying between the Turakina and Rangitikei Rivers (see tracing) a report of which is attached.

(Appendix A.)

The result of these journeys may be briefly stated. Three sites containing about 8,000 acres in the aggregate, distant about ten miles apart, and suitable for the location of about 200 families, have been selected in the Napier Province on the main trunk road line from the Ruataniwha Plains to the Manawatu Gorge. They are now being surveyed into forty-acre sections, on which it is proposed to place labourers, chiefly Scandinavians, and to give them the work of forming the road or tramway. It is expected that the whole of these sections will be occupied by the end of the current year; and as the settlements are in the neighbourhood of fine blocks of totara timber, sufficient employment, independent of the improvement of their land, will be found for the immigrants for some time after the road work is completed.

On the same road line from the Manawatu Gorge southward to Wairarapa, owing to the fact that much of the land through which the line passes is still in the hands of the Natives, only one site for settlement has yet been selected. This is 4,000 acres in extent, at the Wairarapa end of the bush. This block is also bush, and it is the intention to settle this in the same way as the reserves on the Napier side of the Gorge. Indeed the settlement of this may be said to have been already begun, the Scandinavian immigrants ex "England" having been temporarily located near the reserve, with the

intention of placing them in occupation so soon as the sections shall have been surveyed.

The result of the journey reported in Appendix A., is only of importance at present as showing that a similar process of colonizing and opening up an important district on what must be a main high-road to

the interior plains may hereafter be adopted.

The first and only shipment which has arrived for the North Island since the sole control of the immigration was placed in the hands of the Colonial Government, was that of 91 adults, chiefly Scandinavians, per ship "England," which arrived in Wellington on the 9th March last. On entering the port, it was found that small-pox had existed on board throughout the voyage from England, and that several of the passengers and crew were then suffering from the disease. Prompt measures were taken by the Board of Health, and owing to these, and a strict quarantine on Soames Island, the progress of the disease was stayed, and its spread from this source effectually checked.

The occurrence of this disaster hastened the action of the Government with regard to the establishment of quarantine stations. Permanent buildings are now in the course of erection at Soames Island, Wellington; and arrangements are being made at Auckland and Napier for the temporary reception on suitable sites for quarantine purposes of the passengers and crews of any infected vessels,

should such arrive at either port before the erection of permanent establishments.

As the location of the immigrants ex "England" may be regarded as a precedent for future similar operations, I may be allowed to state somewhat in detail the arrangements made. Immediately after landing, they were taken up on foot to the site of their intended settlement near Masterton, Wairarapa. They were accompanied by a waggon carrying their baggage, a couple of large tarpaulins for temporary shelter, and a few necessary tools. On arrival, they immediately occupied themselves for about ten days in erecting temporary dwellings of split slabs. Their wives and families were then sent up in waggons to join them. Arrangements were made with a reliable neighbouring storekeeper to supply them, at their own cost, with provisions at moderate prices. The men were then set to work on small contracts to clear the bush from the line which is to be the main trunk road through the Seventy-Mile Bush, and on which, about four miles in, is the site selected for their settlement. The appended tabular statement (Appendix B.) shows their present liabilities to the Government for passage money, &c. These they will have to repay during the first two years, the amounts being deducted from their earnings by monthly instalments. These repayments made, they will then be called upon to pay for their land—40 acres—at the price of £1 per acre, by three equal annual instalments.

The party has now been at work more than two months; the majority, and especially the Norwegians, have made themselves thoroughly comfortable in their temporary location; they have earned very fair wages, have done their work more than ordinarily well, and with a few exceptions (among the Danish party), appear well satisfied with their position and prospects.