

The natural features of the island correspond very closely with the description given in Mr. Pearson's report, of which you have, I believe, received a copy. The site of the first settlement will be fixed at Port William, a commodious and safe harbour, where the Government will have to erect a barrack capable of containing say 150 persons of all ages, the number which I propose should be brought out by the first ship.

As there is but little settlement on the island, and as, therefore, there would be no employers of labour, I think it would be unwise to hazard the experiment of more than one shipment during the first year. Even if, as proposed by His Honor, the first comers are provided with necessary food, tools, seed, and boats, it would take quite a year before they will be in a position to feed themselves and assist the next batch of incomers. By that time, if the first attempt succeeds, it may be practicable and politic to double the number of immigrants. But a great point will be gained if, in the course of the first year, the successful settlement of 150 or 200 people is effected on this hitherto neglected island.

The Agent-General will therefore consider himself instructed to prepare for the shipment of about fifty families from the Orkney or Shetland Islands, or Hebrides, to arrive at Port William about November next. Each adult will receive a free grant of twenty acres of land; but, as stated by His Honor, the intending immigrants should be impressed with the fact that it is to fishing they must look as their main source of prosperity, and not to the cultivation of the soil.

Originally, the settlement of the island was intended to be carried on under the provisions of the Otago Special Settlement Acts, 1869 and 1871; but as the business of immigration has now devolved upon the Colony, it is probable that some modification of those Acts must take place, in order to avoid the confusion which will certainly ensue under a dual system of management. At present, the Province finds the land and the Colonial Government introduces the immigrants. The Province also expects the Colony to erect barracks and supply boats, &c., if needed. Under these circumstances, it will be difficult to determine where the responsibility of the Colonial Government ends. It will probably, therefore, be necessary that the Province should hand over the land, in order that the whole management of the settlement may rest upon those who are really responsible for the welfare of the people they bring out.

You will be kept informed from time to time of all detail arrangements that may be made which will affect the interests of the intending emigrants.

Should you be unable to make arrangements for landing the immigrants at Port William—a contingency which the Government trusts will not occur, as the harbour is easy of access and perfectly safe—they will have to be discharged at the Bluff.

W. REEVES.

#### Sub-Enclosure to Enclosure in No. 27.

His Honor J. MACANDREW to the Hon. W. REEVES.

SIR,—

Superintendent's Office, Dunedin, 12th February, 1872.

With a view of losing no time in the introduction of immigrants into Stewart's Island, I have the honor to suggest that directions should be sent home by the outgoing mail, to the effect that steps may be at once taken towards obtaining a shipment, direct to Port William, either from Orkney and Shetland or the Hebrides.

The emigrants should be informed that, while each family and adult male will receive a free grant of twenty acres of land, they must look to fishing, and boat and ship building, as their main occupations.

The Government will be prepared to provide a supply of tools for boat and house building, also potatoes and grain for seed, and twelve months supply of oatmeal, and to allow, if necessary, one year for payment of such supplies.

The emigrants should also be informed that they will be allowed to occupy their land on the principle of free selection and priority of application, within certain limits to be defined,—they themselves to defray the expense of survey by a Government surveyor, who will be located on the spot, and authorized to charge certain moderate fixed rates.

Pending the arrival of the immigrants, I would suggest that the Provincial Government be empowered to erect, out of the Immigration and Public Works Loan, suitable barracks at Port William, to accommodate, say, one hundred families; and that one or more fishing boats be attached to the barracks for the use of the immigrants. By this means, they will be enabled at once to provide for themselves until such time as they can fix upon permanent locations.

I have, &c.,

J. MACANDREW,

Superintendent of Otago.

The Hon. W. Reeves.

#### No. 28.

MEMORANDUM for the AGENT-GENERAL, London.

(No. 54, 1872.)

Public Works Office, Wellington, 13th May, 1872.

THE anxiety expressed in the various memoranda which have been addressed to you from time to time on the subject of emigration, leads the Government to learn, with much satisfaction, that you are very confident that a large stream will by this time be beginning to flow; and they are only awaiting your further promised communication, in order that your complete arrangements may be taken into consideration.

While I have no doubt that the overdue mail will contain full information as to your immigration prospects, the Government wish to impress you with the absolute necessity of placing them in posses-