

done. The absence of wharf accommodation is the reason alleged for the non-starting of this industry; and in connection with this I would remark that without wharf accommodation, where vessels can come alongside and load, neither our export nor import can be carried on successfully. Our bay is one of the best harbours on the coast, and with the outlay indicated in my returns would offer great facilities for the export of timber and other heavy materials, such as lime and sandstone—articles that will, I trust, at an early date become the source of a large export trade from the settlement. Vessels can come and go at all times without bar-risk or fear of detention. The Italian settlers are looking forward to being able to grow grapes and other fruits, as well as being anxious to secure a number of mulberry trees, so as to enable them to engage in sericulture. They appear to be satisfied that several varieties of the grape will thrive here and ripen, and I am sure that all our Home fruits will produce abundantly. Several have sent for their wives and families, and the trouble with others is how to get money to pay the expenses of their friends to the port of embarkation, so that they may be able to take advantage of the assistance given by Government in getting their friends out. I have frequent applications for advice and assistance in this matter. A large area of fine land, abounding in cattle-feed, is now open for occupation in this part of the settlement, which will be taken up by new arrivals, as it is easily cleared and no great distance from the sea-board. As it is now over two years since the settlement was first started, and as many of the settlers have received the amount of employment promised by the Government, considerable anxiety is being felt by the married settlers who have large families as to the future action of the Government with regard to the settlement. I append a list of the men who are still entitled to further employment in terms of agreement with the Government, as also the amount required for such purpose.

In treating of the future of the settlement and its requirements, I have no desire to magnify the difficulties that stand in the way of the success of the scheme; but it would be lacking alike in my duty to the Government, and misrepresenting the feelings and interests of the settlers, if I did not state my opinion in plain terms—viz., that without some further assistance the settlement will comparatively speaking be a failure. The position is this: The Government have expended on the settlement, say, £20,000, the amount of the original vote, with results as follow:—

Settlers numbering 367 souls have been placed on the land. These settlers have constructed roads and bridges (as per return shown) for the Government,—

For themselves they have built houses and cleared land of an aggregate value of	£11,863	0	0
Are possessed of cattle at an approximate aggregate value of	729	0	0
Crops, mostly potatoes	2,023	0	0
Pigs and goats	194	0	0
Horses	110	0	0
	£14,919	0	0

—besides mineral discoveries made by settlers on the Jackson, that may be of great value to the country. This comprehends the assets of the settlers, which, with the work done for the Government, stands against the £20,000 expended on the settlement. That I have neither under nor over estimated the value of the assets, the basis upon which my calculations were made will show—viz., that half the adult male settlers can fairly charge their house-building, clearing, fencing, and cultivation with cash equal to one years' labour at Government rates by £125 each, and the others half that amount. The crops and cattle are put down at perhaps rather low rates; but notwithstanding the possession of good houses, plenty of potatoes, and a certain amount of clearing around their homes, and in some instances having cattle and pigs, it will be plain to any one that without employment outside of their own possessions they will not be able to carry through.

The revenue derivable from the leasing of cattle runs in the South is due in a great measure to the settlement having been started, as also the amount realized from the sale of sections in the Town of Arawata, and may be considered in connection with the settlement. I presume the Government were aware that other employment of some sort would be necessary when the Government works ceased, and I take it the belief was that as the settlement progressed employers of labour would settle amongst us; for I cannot think that any one who knows the nature of the New Zealand bush ever expected the settlers, without a penny of capital in most cases, and in many instances quite unused to the kind of life they were entering upon, could support themselves and families without employment outside their own holdings. This very natural and reasonable expectation has not been realized. Various reasons may be given for the lack of interest manifested by capitalists in the resources of the district, who have the means of starting such industries as claim their attention; amongst others, in connection with the timber trade, exception has been taken to the want of wharf accommodation at the Bay for exporting such bulky articles as timber, freestone, and lime, all of which are available for export; and the difficulty of working the various rivers without a small steamer has deterred any one from erecting mills and starting the timber trade. The reasonableness of this objection will be apparent to any one at all conversant with the handling of such materials. The isolated position of the settlement has also been against us; for, taking advantage of this fact, certain newspapers have allowed their columns to be occupied by *ex parte* statements from disappointed men, whose glib tongues and scurrilous pens have been used for the purpose of damning the settlement right through. Some of their communications, being backed by leading articles, have, no doubt, had the effect designed to a certain extent, even although their strongest characteristic has been their extreme virulence and total absence of fact in support of their allegations against the settlement, its utility, and management. It is well that the utmost publicity should be given to all matters connected with the expenditure of public moneys that may have been the subject of special legislation, but it is neither in the interests of the country nor for the good of the settlers that only statements that tell against the settlement, no matter from what source derived, should receive publicity at their hands. Other reasons, such as the dulness of trade in many of its branches, &c., may have been the cause; but, be the cause what it may, the fact is very apparent, we have no