

have returned home. The Italians cannot therefore be esteemed a valuable addition to the population of the Republic. They seldom have sufficient enterprise to leave the towns, and bring new districts under cultivation. During the year 1870, out of upwards of 40,000 immigrants, not more than 1,000 proceeded to the interior provinces." Thus instead of adding to the wealth of the country, by becoming producers, they enter into competition with the already too numerous mediums of exchange, and become consumers. Their unfitness to act as pioneers of settlement may be ascribed to climatic influences, or to their previous habits of life; at any rate, they have not been a success in this district. There are some good men amongst them, as amongst other settlers, but the proportion is very small. The settlement has been heavily handicapped by having such material to work with; but, notwithstanding this and other drawbacks we have had to encounter, I have not the slightest doubt of its ultimate success, and the operation of the inevitable law of natural selection will no doubt result in the "survival of the fittest."

I have, &c.,

D. MACFARLANE,

Government Resident Agent.

Edward Patten, Esq., Officer in Charge, Hokitika.

Enclosure 2 in No. 1.

Mr. MACFARLANE to Mr. PATTEN.

SIR,—

Resident Agent's Office, Jackson's Bay, 15th August, 1878.

I have the honor to report that the whole of the road work authorized by the Government is now let and in hand, and, weather permitting, will be finished about the middle of September. As the whole of the work was let by tender, I had considerable difficulty in allotting a fair share to each; but, with the exception of the Italians at the Okura, the matter was satisfactorily arranged. With regard to the Italians, I was compelled to make some provision for them at the Okura until the work commenced on the Haast Track, where they could obtain steady employment, as the work at the Bay was of such a nature that, after a trial, they could not make enough to keep themselves and families, and, as there was a small balance over the estimated cost of construction of the Bay Road, I applied it to the completing of some road work at the Okura.

I have also to report having commenced the Haast Pass Track, and I hope to have the work of construction put in hand about the beginning of October. I am also pleased to be able to report on the successful establishment of a steam saw-mill on the Arawata, the mill being the property of H. and T. Haworth, saw-millers and merchants, and a number of the settlers at the Bay. Everything is in good working order, and they are now executing an order for Landon and Co., of Christchurch, of 250,000 feet, to be shipped in the barque "Jane Ann Andersen," for Lyttelton. Seeing that the success of the undertaking depends in a great degree upon the facilities afforded for loading, the completion of the jetty is of the utmost importance, not only to this company, but to others, who are only waiting to see whether the jetty will be finished. In every other respect the harbour is a very good one, and, as the timber trade from this place admits of an almost indefinite extension, I trust that the matter will receive the attention its importance merits.

I have also to report that, by the steamer "Maori" leaving to-day, three Polish and two Italian families leave the settlement. I was applied to by them for free passages to Hokitika and Greymouth, which I refused, on these grounds—viz., that they were able to pay their own passages, and that they could obtain employment if they chose to take it. *Re* complaints from foreign settlers through their respective Consuls, please find reports under separate cover.

I have also to report a serious loss of life from a boat accident between Jackson's and Big Bays. A. Williamson, with four men and a boy, left Jackson's Bay in an open boat for Big Bay, and some time after the bodies of four men and the boy were found on the beach. The boat and the body of the other man has not yet been seen. It is conjectured that the boat capsized, as it was blowing fresh at the time and the boat was light. One of the men drowned (a Pole) has left a widow and four children wholly unprovided for. Until such time as arrangements can be made, I have had to render the family some little assistance. The traffic up and down the coast in open open boats has, up to the date of this accident, been carried on with impunity, but the late fatal occurrence will do a great deal towards stopping prospecting parties from risking their lives in open boats along the coast; hence the necessity for placing a steam-launch at the Bay for the purpose of working the bays and rivers to the south and north of the settlement, and I have not the least doubt but that the expense incurred would be more than met by the discoveries made and the facilities afforded for ordinary settlement. Trusting this matter will not be overlooked by the Government when dealing with the future of the settlement,

I have, &c.

D. MACFARLANE.

E. Patten, Esq., Officer in Charge, Hokitika.