H.—12.

Unlike the British gum-digger, who is generally a solitary worker, the Austrians seldom stray from each other, and upon a rich find of gum being made they all proceed to work it "on the face," as it is technically called—that is, digging up and turning over the whole of the ground, sometimes for many feet in depth. This is, of course, the proper method to pursue if the whole of the gum in the ground is to be removed, but is one of the causes of offence alleged against them by the British digger and the settlers, as the thoroughness of the manner in which the ground is cleared leaves no hope of any gleaning after them. Formerly the digger or settler prodded here and there, dug a hole in a likely looking spot, and then wandered on: there was probably as good gum behind him as before him; but no one could hope to work after the Austrian digger with any prospect of success. The Austrians live frugally at first, and with due regard to their own slender finances; but after being here a little while, and earning money, they soon find that to continue labour in the exhausting manner they work, and for such long hours, a more generous diet is indispensable. Their food on the gumfield costs them generally from about 10s. to 14s. a week, and consists of tinned meat, potatoes, flour, lard, coffee, butter, &c., averaging quite as much as that of the British digger.

18. Your Commissioners have made exhaustive inquiries as to the existence of a contract system in the despatch of Dalmatians from Europe. Almost the whole of the evidence tends to prove that there was no contract on the part of any person to supply labour to the gum-The procedure was generally as follows: The men have raised money, either by mortgaging their properties, or on security given by relatives or other persons, and have thus obtained the passage-money necessary for immigration to this colony. The amount thus required for each averaged £30, being £25 for passage viá Trieste, and a few pounds for incidental expenses. The money was obtained from private persons, money-lenders, &c., and with its interest at 10 per cent. had to be repaid at a certain date. Every effort is made by the immigrant to repay this advance within the specified time, and if fortune does not favour the new-comer sufficiently to enable him to do this, the balance has sometimes been advanced by his fellow-countrymen on the gumfields. The passage-money having been repaid, the Austrian gum-digger is entirely free, and there is no evidence that he and his earnings are under any bond whatever. Rumour has frequently asserted, and some allusion has been made in the evidence to the accusation, that occupiers of gum-land in New Zealand have paid agents in Austria, who induce the Dalmatian peasantry to leave their country and flood the gum-Your Commissioners do not consider that sufficient evidence to this fields of the colony. effect was brought forward to give weight to the assertion, nor were they able, after prolonged inquiry, to satisfy themselves that such a state of affairs existed. The current of immigration from Dalmatia appears to have flowed hither without any other directing power than that of the high earnings reported on and communicated across the sea by Austrians themselves.

19. There is reason to believe that, out of the fifteen hundred Austrians located in the colony, at least a thousand have banking accounts (some of these being from £500 to £800), and besides this accumulation of wealth there are large amounts of money forwarded to Austria every month. It is difficult to arrive at an exact estimate of the amount of money they send away from the colony, because some is transmitted through the Post Office, some by bank draft, and a portion in gold, on the persons of those returning home. of the magnitude of such dealings may be arrived at if we consider that some of the men have earned from £5 to £8 per week above expenses, and that the average savings must, at the lowest, be £1 per week per man. Calculated on this basis, the fifteen hundred diggers would save some £1,500 per week, or £78,000 per annum. That a large portion of this is exported may be surmised from the fact that from one store £1,277 was sent through the clerk in four months and a half to Austria, and this did not include post-office orders, or remittances forwarded directly by the diggers themselves. Much of this money, however, may be sent away through the ignorance of the Dalmatians as to profitable investment in the colony. We have been informed that two young men who were each transmitting £80 for investment in Europe were asked how much interest they expected for their money. They replied that if they received 1 or 1½ per cent. they would consider themselves well off. On being told of the interest paid in this colony on Government securities and in the Savingsbank they were surprised, they having considered the Savings-bank as merely a secure place of deposit, and being unaware of the annual addition of interest. This would seem to point to the advisability of a translation being made into the Dalmatian language of the regulations