

As these matters are of a serious nature, I enclose original documents above alluded to for your information.

Mr. Bowling has been requested by the Deputy-Superintendent to find sureties for the faithful discharge of his duties. I understand that you mentioned the subject to him prior to your leaving for Wellington; this I was not aware of, or would have attended to it ere this.

Some of the estimates of pay appear unreasonably excessive, notwithstanding the last month (July) has been very wet. Consequently I have deemed it necessary to call Mr. Bowling's attention to the advisability of ascertaining why more money is required under the circumstances than was paid for the previous month.

Mr. Simpson's contract, so far as regards the delivery of stores at Tuakau, has, I learn from Mr. Hay, been performed. No notification has been received from other settlements that the remaining portion of the contract has been fulfilled.

I purpose proposing for approval a reduced scale of rations to be issued, in lieu of the present one, to those who have a just claim upon the Government for assistance, either in consequence of sickness or destitution, caused by inability to obtain employment.

I would here remind your Honor that the building on the North Shore is empty, while it might perhaps be let to advantage, and so assist in reducing our daily expenditure.

Mr. Kelly's account for the month of July is nearly £400 less than that for June; other reductions have also been made, which it is unnecessary to detail.

There is no other matter in connection with my department which I need bring under your Honor's notice.

I have, &c.,

FRED. J. EATON,

R. Graham, Esq., M.G.A., Wellington.

Immigration Officer for General Government.

Enclosure 2 to No. 3.

FRED J. EATON, Esq., to the SUPERINTENDENT.

SIR,—

Waikato Settlement Office, Auckland, 16th September, 1865.

I have the honor to acknowledge the receipt of your Honor's favor dated the 9th instant, and feel much pleasure in complying with the request therein contained.

The mail leaves on Monday next the 18th instant and as your Honor's letter only came to hand this afternoon, I have not so much time as I could wish to prepare a lucid statement of affairs connected with my department.

I will divide my letter into three heads:—

1. The state of the funds placed at your Honor's disposal for immigration purposes.
2. The present condition of the immigrants.
3. The probable result of stopping the works.

1.—Statement of Funds.

Accompanying is a statement, No. 1, which will show in detail the moneys expended upon the General Government Immigrants, *ab initio*, excepting the cost of surveying lands for allocation, and the salaries paid to Agents in Great Britain and Ireland (these latter will be found in the printed correspondence upon Immigration matters, a copy of which is herewith). From this statement, No. 1, it will be seen that £5,000 is inserted as "Probable requirements for September." The majority of the ploughing and seeds will be paid out of that amount. About £3,000 would I think suffice for paying salaries and wages both north and south of Auckland. At the close of this month therefore we shall only have £1,300 to the credit of the fund. In this emergency it was deemed advisable to write a circular (copy enclosed) notifying that all pay would cease on the 30th instant. I will hereafter state the effect of this notice on the immigrants.

2.—The Present Condition of the Immigrants.

Upon this question I can speak the more reliably, having just completed a visit to all the settlements. In each and every one of them I observed a desire to better their condition; and those who have been some six months on their land have made very great progress in developing the natural advantages of their settlements—and indeed all have proportionately advanced. The Germans are conspicuously industrious; and all heads of families seem striving, not simply to remain in possession of their allotments, and exist on Government work, but, by perseverance and self-denial, to improve, with the small means at their disposal, their little properties, and so, at a future day, to render themselves independent of external assistance—further than such as may be afforded by settlers in their immediate neighbourhood. This was the primary object of the scheme; and if those immigrants who hold this view of their position can be made to feel that Government will appreciate their endeavour to succeed, by a little further support, then I am confident that a very great benefit will accrue to the Province from the success of the original intention of the late Ministry having been carried out in its integrity.

In some of the settlements, a proportion only of the immigrants have received their seeds; others have received none at present. Some have had a portion of land ploughed, others none at all; and a few have not yet been put in possession of their allotments. (*Vide* clause 7, printed terms and conditions.)

Some of the settlements enjoy more geographical advantages than others, and have consequently greater facilities for obtaining employment. Others possess geological superiority, in having received land of admirable quality, ready for the plough; while a few are located in a thick bush, the physical difficulties of clearing which (though very valuable to a capitalist) will prevent the present occupiers from reaping any benefit from it during the present year. Notwithstanding the many disadvantages enumerated, all appear anxious to use every endeavour to surmount them.

All large families are in debt to the storekeepers, and both debtors and creditors are depending upon the ultimate success of the settlements for the liquidations of these debts.