

1877.
NEW ZEALAND.

SPECIAL SETTLEMENT AT JACKSON'S BAY

(REPORT ON THE).

Presented to both Houses of the General Assembly by Command of His Excellency.

No. 1.

HON. J. A. BONAR to the Hon. the MINISTER FOR IMMIGRATION.

SIR,—

Government Buildings, Hokitika, 21st May, 1877.

I have the honor to enclose herewith the Annual Report on the Special Settlement at Jackson's Bay, forwarded by the Resident Agent, Mr. Macfarlane, up to 31st March last.

Accompanying it are several valuable returns, which, with the report, will place you in possession of full information regarding the progress made since its formation, and some very important suggestions as to its future prospects.

That the settlement should have progressed so satisfactorily up to the present time, in spite of the very great difficulties consequent upon its isolated position, the natural disadvantages arising from its being unsettled bush country, and, above all, the fact that, instead of being peopled by the class of immigrants originally intended when the settlement was projected—namely, agricultural labourers from England and Ireland, and men accustomed to fishing from the north of Scotland—it has been an outlet for Germans and Poles unable to find employment in other parts of the colony, and Italians whom the Government had for months in the dépôt at Wellington, all of whom were unable even to speak the English language, has been to me a matter of surprise, and I am sure must be to the Government a matter of congratulation. Out of the sum of £20,000 originally set apart for the formation of this settlement, the sum of £17,532 has been expended up to the 21st May current, as follows:—

	£	s.	d.
For buildings	169	3	10
Freight of goods and sundries from Hokitika to settlement ...	390	5	0
Stationery, medicine chest, printing, advertising, and contingencies...	95	12	4
Cost of surveys	2,845	17	9
Boats, horse, &c.	75	13	8
Cost of management, inclusive of 29 months' salary of Resident Agent, and all necessary tools and appurtenances for works ...	1,270	4	4
Expenditure in public works, being actual amount paid to settlers for labour done	10,312	15	5
	15,159	12	4
Provisions	2,372	10	4
	£17,532	2	8

The item for provisions, £2372, is represented by unsold stores in hand and the amounts owing by settlers; the latter it is proposed by the regulations submitted for your approval to make a charge upon the land, and, until payment is made, the Crown grants to be withheld.

The total net expenditure has therefore been, say, £15,160; and an examination of the results from this will not be uninteresting to those who appreciate the importance of affording an outlet for settling population in the colony, and developing the undoubted resources of this large and comparatively unexplored portion of it.

Firstly, we have the fact of having settled a population of 367 people at six different points within twenty miles—the length of the settlement block—who have erected houses for themselves, have taken up 4,724 acres of land, which they are clearing and improving, and for which they are paying the Government by yearly instalments of 3s. per acre extending over seven years, when they are entitled to Crown grants; and who are already possessed of eighty-three head of cattle, ten horses, and fifty-six pigs and goats, besides their crops, estimated to be worth £2,000.

Secondly, we have established a centre 150 miles south of Hokitika, which will enable miners and others to prospect, without the risk of starvation or drowning, to which they were formerly exposed, the known auriferous district lying between Jackson's Bay and the settled portion of the country to

the northward, as well as the extensive unknown land to the southward, in which it is expected the continuation of the leads rich in gold found in the neighbourhood of the Wakatipu and the Arrow will be traced. Already auriferous quartz has been found, as also good indications of other minerals in the immediate vicinity of the settlement, and on the sea-beaches gold has for years been found in small quantities.

Thirdly, consequent on the formation of the settlement, large areas of country have been taken up under pastoral leases, from which a considerable rental is being received; and in connection with these upwards of 5,720 acres of land have been applied for to purchase, and in some cases already the purchases have been completed at £1 per acre. That these purchases will be considerably extended when communication is completed overland to Hokitika there can be but little doubt; and, as it only requires some sixteen miles of track to enable this to be done, a large revenue is likely soon to be derived from this source.

Fourthly, communication has now been completed between Otago and the southern portion of Canterbury with the West Coast, by the formation of a horse-track over the lowest known pass—the Haast Pass—at the highest point, only 1,716 feet above the sea level.

Fifthly, the development of the intermediate settlements on the coast, and the opening up of the valuable lithographic-stone quarries at Abbey Rocks, has been greatly facilitated by the increased opportunities for communication caused by the formation of the settlement.

Looking at the matter from a purely financial point of view, let us see what the results have been, although I regard this as but of secondary importance at this early stage of the settlement, the primary object being the opening up of new country available for carrying a large population, and thereby not only increasing the revenue directly by Customs duties, but also improving the rateable property of the colony.

	£	s.	d.
Take the actual expenditure up to 21st May, 1877, as	17,532	0	0
On the credit side we find,—			
1. Land taken up by settlers, as per Return C, 4,724 acres	5,473	0	0
2. Land sold in Town of Arawata	1,155	0	0
3. Rent of pastoral runs let in consequence of and since the formation of the settlement, bringing in annual rental of £244, 10 years' purchase	2,440	0	0
4. Land purchased outside of settlement, 720 acres	720	0	0
5. Land applied for, but purchase not yet completed, 5,000 acres	5,000	0	0
6. Completed survey of 15,509 acres, available for settlement	2,846	0	0
7. The value of work done by settlers on roads within the settlement, which may be fairly added to the above	10,312	0	0
sums	27,946	0	0

In addition to this, there has been a small sum received from gold fields revenue, and a topographical survey made of the entire block of 60,000 acres.

It must further be borne in mind that there is still within the settlement an unsold area of 55,276 acres, which the Government hold as security for the repayment of any advances made, so that, independently of all other direct and indirect return, there is still ample security for advances to nearly treble the amount appropriated.

Having now dealt with the subject at a greater length than I would have done had the settlement not been in a remote situation, where the Government have not the same opportunity of judging for themselves of the results, I come to the serious question of the future of the settlement, and on this subject the report of the Resident Agent is very clear and explicit. From the Return E, appended to this, you will see that a sum of £5,574 10s. is still required to carry out the original conditions of employment under which the settlement was formed, and this expenditure I would recommend should be made upon the following works, pointed out as necessary by the Resident Agent, in order to complete the access to the different blocks settled, and to afford a ready means of landing stores and shipping timber and other produce from the settlement:—

	£	s.	d.
Bay Road, 200 chains at £13	2,600	0	0
Metalling Arawata Road, 330 chains at £2	660	0	0
Completion of metalling McLean's Road, Waitoto	310	10	0
Metalling Turnbull Road, 180 chains at 25s.	225	0	0
Cost of jetty at Jackson's Bay	1,260	0	0
	£5,055	10	0

When this is done, the settlers will then be in a fair way to utilize such resources as they may be able to develop from the materials at their command. One of the principal of these is the timber trade, and it is much to be regretted that, owing to the great falling off in this branch of industry of late in the colony, capitalists have not seen their way to establish mills independently of Government assistance, as we had every reason to expect they would have done when the settlement was originally established. Seeing that this has not been done, I feel that the suggestion of the Resident Agent as to the establishment of co-operative saw-mills is a practical way out of the difficulty, and, as the settlers there have not sufficient capital of their own to go to the first expense of procuring the necessary plant for themselves, I would ask your authority to procure the required plant for at least one of the proposed mills. The settlers would then find the labour, and a permanent industry be established, which, although at the present moment may not pay them anything like full wages, would enable them, with the homesteads they have now acquired, to maintain themselves and their families in their new home. The establishment also of co-operative stores would at the same time relieve the

Government from the maintenance of the Government store, and give the settlers the advantage of getting their provisions at a minimum price. The assistance so given by the Government could be recouped as proposed by a payment of, say, 1s. per 100 feet on all timber exported until the amount was cleared off, and the settlers—who, I am pleased to say, are, as a whole, hardworking and industrious men—would by their own exertions ultimately become independent of any Government support, and the great object desired in the formation of the settlement will be achieved.

That many other industries quite irrespective of gold discoveries would follow I have but little doubt, but in the meantime I think this is the most prominent, and the most easily made reproductive. While concurring with the Resident Agent generally on the principle of encouraging co-operative labour on the part of the settlers, I think that Government assistance should be limited to one mill, as this is really required for the purposes of the settlement itself; but the direction in which further assistance should be given by the Government, I think, should be the formation of the road as originally projected throughout the length of the settlement. By doing this the whole block of country would be open for sale, and an important portion of the Great South Road, which has been already carried from the Buller, in Nelson District, on the north, to Bowen, in Westland, on the south, and which is now being further extended to Okarito, would be completed. For the present I would urge the construction of the road from the harbour of Jackson's Bay to the Haast, where it would intersect the track across the Haast Pass to Otago. Already the road is made as far as the Arawata River, about seven miles, and by utilizing the labour of the settlers under the contract system only, this highly useful work could be carried out at a moderate expense, and, while assisting the settlers in their permanent location, will open up a large extent of valuable country.

Feeling as I have done for many years, in common with the representatives of the different local bodies in whose hands the management of local affairs has been placed, the great importance of effecting permanent settlement on the southern part of our long coast line; seeing that the settlement has been made in the only good harbour on the West Coast of this Island, that communication has now been established overland to Otago and the south of Canterbury, and that a willing and industrious body of settlers have now, under difficulties of no ordinary nature, started to make homes for themselves there, I am confident that the Government will feel the necessity of completing the work they have commenced by affording the additional assistance now so urgently required to bring this settlement to the successful condition which cannot fail to follow the judiciously assisted efforts of independent, enterprising, and useful colonists.

In conclusion, I would desire to express the great satisfaction I have had in the able and energetic manner with which the Resident Agent, Mr. Macfarlane, has performed his very difficult duty, and it is mainly owing to his energy and tact that the many incongruous elements he has had to deal with have worked harmoniously together, and with such good results.

The Hon. the Minister for Immigration,
Wellington.

I have, &c.,
J. A. BONAR,
Executive Officer, Provincial District of Westland.

Enclosure 1 in No. 1.

REPORT on the SPECIAL SETTLEMENT, JACKSON'S BAY, by the RESIDENT AGENT.

SIR,—

31st March, 1877.

I have the honor to forward for your consideration my annual report on the Jackson's Bay Special Settlement, and in order that the statement may be as comprehensive and intelligible as possible, at the same time avoiding all unnecessary repetitions and details, I herewith attach abstracts of the various matters that come under consideration, so that you can see at a glance the position of the settlement.

The general conditions of the settlers, their present prospects, and future requirements, I will deal with *seriatim*.

The population of the settlement, now numbering 367, are located at five different points, extending from the Haast River to a line south of Smoothwater Valley, a distance of twenty-five miles, the locations being principally on the banks of the four rivers falling into Open and Jackson's Bays and in Smoothwater Valley. By referring to the returns, you will see that at each of the points indicated the different nationalities have, to a certain extent, made their selections in separate groups—viz., the German Poles have settled in Smoothwater Valley; the Arawata is occupied by a mixed community of English, Scotch, Irish, German, and Canadian; Wiatoto by Scandinavians; and the Okuro principally by Italians.

The sections taken up on Smoothwater, Arawata, and part of the Waitoto, are all more or less heavily timbered, and the smallness of the clearings, as shown in the returns, is attributable to this fact. On the contrary, at the Okuro and part of the Waitoto the case is different, as on nearly the whole of the sections surveyed the timber is light and the land very good, making clearing and cultivating comparatively easy; so much so that I venture to say that had the first settlers known of and taken up this land, their clearings would not have been less than ten acres each. Besides, this land, although of no better quality than the land on the other rivers, appears to be sweeter, and yields better crops on first cultivation. The big timber, ferns, and moss effectually stop the sun's rays from getting at the land to sweeten it, and prevent it from giving such immediate returns, even when well cleared and cultivated; hence the greater difficulties the first settlers have to contend with.

Two schools are in operation, one on the Arawata Flat and the other in the Town of Arawata. The schools are conducted by Mrs. Porter and Mr. Adams respectively. A large and commodious schoolhouse is being built by the Central Board of Education at Arawata, and will be ready for occupation in May. In the meantime the schools are carried on in Mr. Porter's house on the flat, and in one of the Government cottages in the town.

No church has as yet been established in any part of the settlement, the spiritual condition of the people apparently being a matter of perfect indifference to those who are supposed to have the more immediate control of such matters; meanwhile religion and morality suffer for lack of a teacher.

The appointment of a constable to the district enables me to deal with a class (not settlers) that we are occasionally troubled with, otherwise, I am glad to say, we have found little call for a constable; however, his presence will have a deterrent effect. Lawless characters often drift into such places as this, and are very troublesome, hence the necessity for police protection.

Nothing more has been done in prospecting for coal, although the presence of small quantities of a really good bituminous coal near the Bay would warrant the further examination of the country to the south; but this, as well as prospecting for gold and other minerals, cannot possibly be done by the settlers, as they cannot afford to give their time to it. My own time being fully occupied with other matters, I have not been able to do anything in that way lately. However, notwithstanding the difficulties in the way, discoveries of auriferous quartz, galena, and silver ores have been made during the year on the Jackson and Cascade Rivers. Three 500-acre mineral leases have been surveyed and granted, but up to date very little has been done to test their value. Two 16-acre leases have been surveyed and granted on the quartz reef, besides a number of ordinary claims. Several small laboratory tests have been made, which showed in some instances gold in payable quantities, but as the whole of the lode, which is of great thickness, is heavily charged with pyrites, a further test, and that of a more practical character, was deemed necessary, and is now being made in Melbourne, 5 cwt. of ore having been sent to Mr. Kirkland to be operated upon.

These discoveries are located about twenty miles from the Bay, and occur close to a remarkable belt of igneous rock, that has been traced up the Cascade Valley into Otago. Report on same has been forwarded to James Hector, Esq., head of the Geological Department, Wellington. Valuable mineral discoveries might be made in this direction if a competent and well-organized party were sent to examine it. During the year the settlers have been employed upon the usual road-works at the different points of settlement most convenient to their holdings. I had very great difficulty in carrying on the works in a satisfactory manner, from the disposition shown by some to shirk work by doing as little as they possibly could, and also by preventing others, both by precept and example, from doing a fair day's work. A few such men poison a whole community; and as a matter of course our foreign settlers were acted upon in a similar manner, in consequence of which I was compelled to stop the work at several places until I could arrange to have the work done in a more satisfactory manner. I have since adopted the following plan, and, as far as practicable, mean to carry it out. The method I have adopted is as follows: The work is laid off in sections wherever practicable, a price being put on it by which they can earn their 8s. per day by doing an ordinary day's work; if they choose to work harder and longer than eight hours per day (which I find they invariably do when under contract), then they earn the more. I had some bother before I could get them to start on this system—partly by being intimidated by those who did not like the idea of having to earn the money that was being paid to them, and partly in a want of confidence in their own ability to do the work; but now, having once got into it, they prefer it to day-work, and I am convinced that a great deal of the work being done in this manner would have cost nearly double had it been done by the day. I am therefore of opinion that, whenever it can be done, Government work on settlements of this kind should be carried out on this principle, otherwise what is called the Government-stroke is so well understood, so easily learned, and so religiously applied, that public works constructed on this system of day-work cost the country a much larger amount than they otherwise would do. Of course, considerable allowance must be made for many of the settlers, especially the foreign portion, whose previous habits of life may not have tended in the direction of making them on arrival good bushmen and first-class road-makers. Due allowance has been made for this in all my dealings with them, and I am glad to say they are progressing very favourably, striving earnestly to make homes for themselves and families, and in time will become valuable colonists. The only parties who object to the contract system are the lazy men, and I am sorry to say I have had some rare samples. Two of them, I am glad to say, have left, and the others are beginning to see that to live means that they must work, although at the same time they have a religious horror of it. Under the Registration Act this has been declared a separate district; all registrations can now be attended to without inconvenience to the public. Seven births, one marriage, and one death have been registered during the year. No medical man has yet settled in the district, and in consequence the Vaccination Act has not yet become operative. The settlement has been exceptionally fortunate on the score of health, but the settlers feel that should any serious accident occur requiring immediate attendance, or should a dangerous epidemic appear amongst them, they would be in a very unenviable position, the nearest medical man being at Ross or Hokitika. They have accordingly offered to subscribe at the rate of 23s. per man per annum, and have applied to the County Council, through their member, for a grant in aid, so that a salary sufficient to induce a medical man to come to the settlement might be guaranteed.

A meteorological station has been fixed here, and observations are recorded daily, returns being forwarded to Wellington at the end of each month. In connection with the gold fields department, a Warden's Clerk and Receiver of Gold Revenue has been appointed to the district, the amount of revenue received for the year ending 31st March being £40 1s.

The Fishing Company started last year under very favourable auspices have unfortunately ceased operations, without, I might say, ever attempting to make the speculation a success. The mistake committed by the Company (who were non-resident) of not employing a thoroughly competent man to carry out the undertaking has resulted in its, it is to be hoped only temporary, suspension. Everything was in favour of the Company. The raw material, in the shape of moki, groper, cod, crayfish, and mullet, is to be found in abundance, and the facilities for catching and curing are unrivalled; besides, the killing of seals in the season might have formed no inconsiderable item in their income, the fur seal being very plentiful to the south of the settlement. It is to be hoped the Company will again commence operations, and to be followed by better results. A lease of one of the timber reserves was applied for last year and granted, but nothing in the way of putting a plant upon the ground has been

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

employers of labour, and our most valuable resources are lying undeveloped for want of capital to utilize them. The question now is how to meet the difficulty. Having prepared a statement of the requirements of the district, the expenditure of which I would extend over two years, I now beg most respectfully to submit for your consideration a way out of the difficulty, the adoption of which would, I think, make the settlement a great success. Timber being one of our most important and most easily available resources, I propose erecting three saw-mills, whose aggregate minimum cutting capacity shall be 54,000 feet per week; the mills to be erected under the superintendence of a competent engineer, and, until such time as the Government was paid back the original outlay, each mill to be managed and worked by a thoroughly competent saw-miller, who would be appointed by the Government; and to enable the produce of the mills to be sent to market, a jetty at Jackson's Bay is required, 7 chains in length, at which vessels drawing 12 feet could load and discharge cargo. A small steamer of the same horse-power as the steam launch promised to the settlement last year, but of different construction, would be required for towing and other purposes, so that the timber could be brought to the jetty for shipment to Dunedin or elsewhere. Punts of a carrying capacity of 18,000 feet to be provided by each of the mills for the purpose. For the repayment of the money advanced, I propose to charge 1s. per 100 feet on all timber sold, until such time as the whole amount is repaid; this, together with the manager's wages and towage fees, would be a first charge on the cash received. I have based my calculations on the minimum results, both as regards cutting capacity and price to be obtained; and even then you will see by the following figures that the money coming into the settlement in the shape of wages would be greater than the average monthly payment by the Government for the last twelve months, viz.,—

	£	s.	d.
Minimum amount of timber cut per month of four weeks by the three mills, 216,000 feet, at 6s.	648	0	0
Less deductions, repayment to Government	£108	0	0
Less deductions, towage	54	0	0
Less deductions, manager's wages (three)	60	0	0
	222	0	0
	£426	0	0

As against £423 10s., the monthly average for the last twelve months.

The producing capacity of the mills could be doubled, thereby providing employment for double the number of men. With the assistance above indicated, the success of the settlement would be guaranteed, as the establishment of permanent industries would induce a steady flow of population to the district, and our other resources would become rapidly developed. In connection with each of the mills, co-operative stores should be started, thereby relieving the Government of all trouble in the matter, and enabling them to dispense with the present Government store. A large area of really good land is available for settlement, not only in the settlement proper, but on all the rivers running through it where they are outside the settlement. A fine block of land is also to be found in the Cascade Valley, a few miles to the south. (For detail see copy of report on same attached.) The very important mineral discoveries made at Abbey Rock and the Paringa, both in our immediate neighbourhood, of lithographic stone of first-rate quality, tin, antimony, and other ores, and the probability of our own mines up the Jackson proving valuable, may be considered a sufficient reason for supplementing the original vote to the settlement. In expending more money on the settlement, I think regard should be had more to the producing of permanent results. A further expenditure on roads alone will not, I am afraid, make the settlement self-supporting. Having given the question my most careful consideration in all its bearings, both as it will affect the Government and the people, I confess I fail to see any other way out of the difficulty that would be of advantage to either party; and however utopian some conservative minds may deem this proposal, the principle of co-operation involved in the proposition is one, although not very well understood here, yet is taking its place and being appreciated at its true value by political economists at Home as the true mediator in the conflict between capital and labour.

In conclusion, I trust the Government may see the expediency of adopting the suggestions I have offered, as the further development of the whole of the South-west Coast would be promoted thereby. From personal knowledge of many of the resources of the district, the special facilities afforded by our excellent harbour for export and import purposes, the healthiness of the climate, and the energy and perseverance of the men who have elected to make homes for themselves and families in Jackson's Bay, I do not think I am over sanguine in anticipating a large measure of success for the settlement.

I have, &c.,

D. MACFARLANE,
Government Resident Agent.

Enclosure 2 in No. 1.

MR. D. MACFARLANE to the HON. J. A. BONAR.

SIR,—

Resident Agent's Office, Jackson's Bay, 10th August, 1876.

In accordance with instructions received, I took advantage of the late fine weather to visit the Cascade Valley, and have now the honor to report as follows:—I left the Bay on the 24th July, with four men, following the Arawata up for about nine miles, then striking into the Jackson, on the banks of which we camped. Next morning followed the Jackson up for about seven miles to the Cascade saddle, crossing which we dropped into the left-hand branch of the Cascade River. A short

distance below the crossing this stream enters a gorge about two miles long. The river being very low we got into the gorge a short distance from its head, and travelled down for about a mile, but we found it a most difficult matter to get out after we had got well in. Geologically speaking this is a very interesting bit of country, the river having cut clean through the formation (a strong conglomerate) to the depth of 200 feet, in places forming perpendicular walls on either side, while the centre is filled in with immense masses of broken fragments lying in every conceivable position, with the river foaming and whirling between and below, making travelling rather dangerous, and causing my companions to use some rather strong colonial expressions at times. The conglomerates are cut clean through, the older slates showing in the bed of the river, and the walls showing a fine section of the stratification of the deposit. Towards evening we got out of it and camped for the night on the break of the terrace following into the main valley. On the evening of the 26th, having passed the junction of the left-hand branch with the main stream, we camped near the middle of the valley, about nine miles from the sea. From this camp we traversed the valley in various directions, sending two men across the flats below the camp on the south side. I crossed the river (which is easily fordable at this season of the year), taking two men with me, and struck across the low scrub that fringes the river bank, coming out on to what we supposed to be fine open grassy flats. I was very much disappointed to find most of the land swampy and the grass to be a sort of rushes; and only that it was frozen over at the time it would be difficult travelling over it, as we found on our return, when the sun had partially thawed it. The river, when in high flood, evidently floods this part of the valley; and the soil, where seen on the banks of the river, consists of a heavy deposit of peat with a little soil on top. On striking the big timber I pushed on for the top of the Cascade plateau, so that I might obtain a view of the valley. This we reached about noon, and from this point I had a good sight of the whole of the lower reach of the valley, which I estimate to be about fifteen miles long, and in places from eight to nine wide. The general trend of the river is about N. 10 W., and for the next twenty miles its course is N. 20 E. The upper reach, into which I did not penetrate, follows a N.W. course extending down behind Barn Bay. A strip of rushy swamp can be traced all the way along the back of the terrace that separates the Bay from the flat; but from subsequent examination I find that a large amount of fine land is available in this direction.

The upper part of the first fifteen miles is not of much value, it being too much cut up by the river beds and back channels, and the land to the north being swampy, only small patches of good land occurring here and there. The top of the plateau, besides being difficult of access, will be of little value for grazing purposes; although from a distance it looks smooth and level, yet, when on it, it presents a somewhat different aspect, being cut up with narrow rugged gullies which traverse the plateau in a lateral direction, rendering it of little value. On reaching the camp at night, I found that my men had met with better country than I had. The line they traversed was very good and dry, covered with mik-a-mik scrub, cabbage palms, ribbon-wood, and vines, making travelling tedious, but land that can be easily cleared; while farther down the valley, in various directions we turned, I found a very large extent of fine dry land. I calculate that from 25,000 to 30,000 acres of really good land is available for settlement in this block, and, as a large percentage of it is covered with this mik-a-mik scrub, it will be easily cleared. The big timber is mostly confined to the foot of the ranges, and amongst this there is a good deal of cattle-feed, the bush being very open. The whole of the land of any value in this valley is within eight or nine miles of the sea, and is nearly all on the south side of the river, forming a very compact and valuable block of land. It is well sheltered from the cold south winds by the high range out of which the River Hope takes its rise. The difference in the quality of the soil on the south side of the valley may be accounted for in this way: the ranges to the south are composed of sandstone and slate, upon which the work of disintegration is going on very rapidly, thereby supplying material for soil; while, on the other hand, the Cascade plateau is partly composed of a very hard crystalline greenstone rock, upon which the atmosphere seems to have very little effect; hence the continuance of the peat and swamp formation all along the base of the plateau, whilst the opposite side of the valley has filled up, and is now good sound soil. I did not get down to the mouth of the river, but, from what I have heard from other sources, I think the entrance is not so bad as it looks from the outside, and could be easily worked by small vessels. Barn Bay, being also a fair harbour, should settlement go on at this point, it could be much easier and more economically worked by sea than by land—that is, if we obtain the kind of vessel we require for the use of the settlement. The road up the Jackson and through to Big and Martin's Bays would no doubt open up this valley, but for some time it can be attended to by sea. After leaving the lower end of the valley, I followed the river up to opposite the saddle taking into Big Bay. The river in this reach skirts the base of a remarkable igneous formation, running nearly north and south, consisting of a series of bald red hills, erroneously reported as sandstone. From one of the peaks of this range, height 3,700 feet, I had a good view of the country, being able to trace the course of this narrow belt (which is only from one to three miles wide) a long distance into Otago. The day being very clear, I took the bearings of Mount Aspiring, and the most prominent points on the coast line. Specimens of minerals found in this formation I have forwarded to Wellington for analysis, and by first opportunity duplicate will be forwarded to your office at Hokitika. As it may be of use in connection with the development of the mineral lodes of this district, I am forwarding a short report to Wellington on the geological features of the valley, so that the relative position of the auriferous and other mineral lodes of Otago may be noted in relation to this narrow belt of igneous rock—that is, if the geologists of Otago have not already done so. Valuable information may thus be obtained, that would be of great use in searching for minerals on this side of the country. I reached about ten miles higher up than this point where we were camped, at a fine waterfall at the head of a gorge about two miles long, the river having cut through one of the spurs or terraces that cross the valley at different points. Here the weather began to show signs of a change, and not considering it prudent to be caught by wet weather in a bad gorge, and our provisions being pretty well expended, I decided to return. Big Bay can be reached very easily by this route in three days. There is no difficulty in the way of making a good track right through, should it be found necessary to do so. The rivers are easily fordable in ordinary weather, and the

Cascade need only be crossed once. I do not think much difficulty would be experienced in carrying the road right through to Big Bay and Martin's, as a valley appears to lead down to each place on an easy grade.

I failed to notice any novelty in the fauna or flora of the country passed through. Birds abounded in the lower parts, kakapos being especially numerous in the valley of the Jackson, but as we approached the snow game got very scarce. After an absence of thirteen days we returned to the Bay, having had fine weather nearly the whole time we were away.

Hon. Jas. A. Bonar,
Superintendent, Westland.

I have, &c.,
D. MACFARLANE,
Government Resident Agent.

Sub-Enclosures in No. 1.

A.—RETURN of Expenditure on Special Settlement, Jackson's Bay, from its initiation to date, 31st May, 1877.

On what Account.	Date.	HOKITIKA.	WELLINGTON.	Total.
		Paid out of Imprest.	Paid direct by Paymaster-General.	
		£ s. d.	£ s. d.	£ s. d.
Buildings	Jan. 4, 1875, to May 21, 1877.	12 15 4	156 18 6	169 3 10
Freight of goods and sundries from Hokitika to Settlement	"	142 13 0	247 12 0	390 5 0
Stationery, medicine chest, printing, &c., and contingencies	"	95 12 4	...	95 12 4
Cost of surveys	"	2,749 2 1	96 15 8	2,845 17 9
Boats, horse, &c.	"	41 18 8	33 15 0	75 13 8
Cost of management, inclusive of twenty-nine months' salary of Resident Agent, and all necessary tools and appurtenances for works	Nov. 1, 1874, to Mar. 31, 1875.	775 5 0	494 19 4	1,270 4 4
Expenditure on Public Works, being actual amount paid to settlers for labour done	Jan. 1, 1874, to Mar. 31, 1875.	10,312 15 5	...	10,312 15 5
		14,130 1 10	1,030 0 6	15,159 12 4
Provisions		163 17 5	2,208 12 11	2,372 10 4
Totals		14,293 19 3	3,238 13 5	17,532 2 8

B.—POPULATION and STOCK RETURNS, Jackson's Bay Special Settlement, 31st March, 1877.

Locality.	Men.	Women.	Children.	Total.	Families.	Nationalities.	Houses.	STOCK.				
								Cattle.	Horses.	Pigs.	Sheep.	Goats.
Jackson's Bay ...	11	10	27	48	8	English, Scotch, Irish, and Germans	Government store, 20 W.B. cottages, blacksmith's shop, school, and Resident Agent's house.	2	3	3	...	3
Smoothwater Valley ...	16	12	38	66	12	German Poles	12 two-roomed W.B. houses	...	...	...	...	5
Arawata River ...	59	30	93	182	28	English, Scotch, Irish, and Germans	22 W.B. houses from one to four rooms, 22 slab and shingle.	43	1	41	...	2
Waitoto River ...	10	1	4	15	1	Scandinavians	7 W.B. slab houses.	...	...	...	...	...
Okuro and Turnbull Rivers ...	27	9	17	53	9	Mostly Italians	Government store, 10 W.B. and 4 slab houses, and 6 tents.	27	3	2	...	...
Haast River ...	2	1	...	3	1	English	One large house containing 8 rooms, stable and dairy.	11	3	...	...	...
Totals ...	125	63	179	367	61		Total of settlers' houses, 81.	83	10	46	...	10

C.—LAND occupied by Settlers, Jackson's Bay.

Description.	Locality.	No. of Sections.	Area.			Price per Acre.	Total Amount.		
			A.	B.	P.		£	s.	d.
Suburban ...	Arawata ...	70	749	2	0	£ s. d. 2 0 0	1,499	0	0
Rural ...	Arawata ...	4	176	3	21				
" ...	Smoothwater ...	16	781	2	6				
" ...	Waitoto ...	20	905	0	12				
" ...	Okura ...	33	1,861	0	5				
" ...	Haast ...	1	250	0	0				
			3,974	2	4	1 0 0	3,974	10	6
							£5,473	10	6

D.—LAND Surveyed into Sections, Jackson's Bay.

Description.	Locality.	No. of Sections.	Area.		
			A.	R.	P.
Suburban	Arawata	76	809	2	0
Rural	Smoothwater	42	14,700	0	0
"	Arawata	31			
"	Waitoto	79			
"	Okura	137			
"	Haast	1			
		290	15,509	2	0

E.—RETURN showing the Balance due to Settlers, Jackson's Bay Settlement, in accordance with terms of agreement with Government.—£5,574 10s.

F.—APPROXIMATE ESTIMATE of Amount required for Public Works, Jackson's Bay Settlement.

ROADS TO BE COMPLETED.			£	s.	d.	£	s.	d.
Bay Road, 200 chains, at £13 per chain	2,600	0	0	3,795	10	0
Metalling Arawata Road, 330 chains, at £2 per chain	...	...	660	0	0	
To complete and metal McLean's Road, Waitoto	...	...	310	10	0	
Metalling Turnbull Road, 180 chains, at £1 5s per chain	...	...	225	0	0	
NEW ROADS.			£	s.	d.	1,660	0	0
Smoothwater Road, 40 chains, at £3 10s per chain	...	...	140	0	0	
New road south side of Turnbull River, 180 chains, at £3 per chain	...	...	540	0	0	
New road south side of Okura, 180 chains, at £3 10s. per chain	...	...	630	0	0	
New Waitoto cross road, 100 chains, at £3 10s. per chain	350	0	0	4,860	0	0
Amount required for Jetty, Jackson's Bay	...	...	1,260	0	0	
Amount required for steam-launch	...	...	600	0	0	
Amount required for saw-mill plant	...	...	3,000	0	0	
						£10,315	10	0

G.—ACCOUNT of Land in Cultivation, and of the Agricultural Produce thereof, for the Year ending 31st March, 1877.

Electoral District.	No. of Holdings.	Extent of Land broken up, but not under Crop.	In Sown Grasses.			In Potatoes.		In other Crops.	Total No. of Acres under Crop, including Sown Grasses.
			In Hay.	In Permanent Artificial Grass, including Land in Hay in previous Column.	Estimated Gross Produce.				
			Estimated Gross Produce.						
Totara, Jackson's Bay, Westland	...	Acres.	Acres.	Tons.	Acres.	Acres.	Tons.	Acres.	Acres.
		103½	6	6	17½	52½	289	3½	79½

H.—ABSTRACT of Public Works completed, Jackson's Bay Special Settlement.

Description.	Width of Clearing.	Width of Formation.	Average Depth.	No. of chains completed.	No. of chains nearly completed.	Square chains.	Covering No. of square feet.	Total chains.	Total square chains.	Total square feet.
Main roads	1 chain	18 feet	...	332	48	...	...	...	...	...
"	1 "	14 "	...	62	8	...	...	...	...	...
"	16 "	6 "	...	399	61	...	...	910	...	...
Horse track	8 "	...	...	460	...	...	...	460	...	...
Clearing	...	...	...	...	...	775	...	...	775	...
Out-fall drains	...	...	4 feet	82	...	...	...	...	...	...
"	...	...	2 "	30	...	...	...	...	...	...
Side drains	...	...	3 "	317	...	...	...	...	...	...
"	...	...	2 "	222	...	...	...	...	...	...
"	...	...	1½ "	60	...	...	...	...	...	...
Bridges	...	...	...	...	...	...	900	...	...	900
Planked culverts	...	...	...	...	...	...	666	...	...	...
Log culverts	...	...	...	...	...	...	1,452	...	...	2,118
TOWN OF ARAWATA.			Formed & metalled.							
Streets	1 chain	16 feet	...	27	...	...	...	27	...	...
Out-fall drains	...	...	3 feet	8	...	...	...	...	...	...
Side drains	...	...	2½ "	16	...	...	...	24	...	...
Culverts	...	...	...	...	...	...	306	...	...	...

No. 2.

The UNDER SECRETARY for IMMIGRATION to Hon. Mr. J. A. BONAR.

(No. 18.)

Immigration Office, Wellington, 13th August, 1877.

SIR,—

I have the honor, by direction of the Hon. the Minister for Immigration, to acknowledge the receipt of your interesting letter of the 21st May last, forwarding the annual report of the Resident Agent upon the special settlement at Jackson's Bay.

Mr. Reid desires me to express his satisfaction with the progress the settlement has made, and the evident energy and determination displayed by the settlers in overcoming the difficulties which have to be encountered by all pioneers of settlements; and to state that the Government is most desirous of assisting, to the extent of the votes originally taken for the purpose, in making the settlement a success by finding further employment for the settlers to enable them to more completely establish themselves upon their farms. With this view it is proposed to open up and make the country accessible by means of roads and bridges, and a vote of £6,000 will be proposed to the Legislature, for this purpose, as recommended in the report of the Resident Agent. A portion of this amount will be made available for prospecting for minerals, but the Government is unable to undertake to provide saw-mills as suggested.

It is hoped that, after the expenditure of this further sum of £6,000, the settlement will be permanently established, and that the settlers will be in a position to maintain themselves without further assistance from the Government.

J. A. Bonar, Esq., M.L.C.,
Executive Officer, Hokitika.

I have, &c.,

J. GILES.

No. 3.

The RESIDENT AGENT to Mr. PATTEN, Hokitika.

SIR,—

Resident Agent's Office, Jackson's Bay, 27th July, 1877.

I have the honor to report that on the 29th June a settler's wife at Smoothwater met with her death through the falling of a tree on his house. The circumstances were as follows:—The husband of the deceased was engaged cutting down a tree in the neighbourhood of his house, and he told his wife to keep outside until such time as the tree was down, as it might fall on the house. She expressed great fear about the tree, but, for some unaccountable reason, just before the tree was cut through, she went inside, and before she could get out she was caught by the falling tree and was killed on the spot. A child that she had with her was unhurt. I held an inquest on the body, when the jury returned a verdict of accidental death. The accident threw quite a gloom over the settlement.

I enclose copy of report from Mr. Kirkland, of Melbourne, on the Jackson's River Quartz Reef. The shareholders intend testing the reef further. There is an immense body of stone and good water-power, but it will require some capital to get the work started. I am unable to report in full on the settlement at this time, but will do so by next mail.

I have, &c.,

D. MACFARLANE,

Resident Agent.

E. Patten, Esq., Hokitika.

Enclosure in No. 3.

REPORT by Mr. J. D. KIRKLAND, M.B., Lecturer on Metallurgy.

SIR,—

Medical School Laboratory, the University, Melbourne, 11th July, 1877.

The assay of the samples of stone (about 500 pounds) forwarded by you from Jackson's River, Jackson's Bay, Westland, gives 6 dwts. 12 grains of gold per ton. Material at a lower level may possibly be found to contain more. I should therefore be disposed to examine further samples. Awaiting your reply,

I have, &c.,

JOHN DRUMMOND KIRKLAND, M.B.,

Lecturer on Metallurgy.

J. Nightingale, Esq., Legal Manager,
Star of the South Quartz Reef Company.

No. 4.

The RESIDENT AGENT to Mr. PATTEN, Hokitika.

SIR,—

Resident Agent's Office, Jackson's Bay, 20th August, 1877.

I have the honor to report that the various works are progressing in the ordinary manner as the weather will permit, but, as it has been very stormy, not much has been done. Mr. Stewart arrived with another small lot of dairy cattle; part of his mob went back about the Haast Gorge, and two fine cows were killed on Hutchinson's Track. Mr. Stewart says that he does not care about risking any more until the road is rendered passable. I intend visiting the Gorge shortly, taking with me Mr. Nightingale, and I will then report on the advisability or otherwise of repairing the track. Mr. Stewart disposed of the whole of his cattle, and could have placed more. Another party (two of the settlers) brought over 100 sheep, some for breeding purposes and some for killing. We have now over 180 head of cattle on the settlement, and all owned by *bonâ fide* settlers.

I have nothing of any importance to communicate by this mail. I trust that arrangements may be made to get rid of the store business as soon as convenient. Mr. De Montalk writes you by this mail on the subject of the Okura Station. I have forwarded the usual monthly vouchers, together with cheques and statement, which I hope you will find correct.

I have, &c.,

D. MACFARLANE,

Resident Agent.

E. Patten, Esq., Hokitika.

By Authority: GEORGE DIDSBUY, Government Printer, Wellington.—1877.