

Our London Manager, immediately he heard of the disaster, telegraphed instructions to Captain Boyd entirely in the interest and protection of the emigrants.

Simultaneously, the Foreign Office wired to the Consul-General, at the instance of the Agent-General, in such terms as were calculated to, and did, create distrust in Mr. Walker's mind, and he was, for a time at least, doubtful of Captain Boyd or our agents doing the duty imposed on them, and threatened to take the management of the whole matter out of our representatives' hands, and only withdrew from the position he assumed of right to do so after reflection and advice of the grave responsibility he was perchance unnecessarily taking on himself.

And it was owing to Captain Boyd's tact, and to our London Manager's directions, that in this new phase of matters complications did not arise, which would have been most detrimental to the interests of the Government.

The conduct of the Consul-General was entirely influenced by the instructions received in pursuance of the Agent-General's wishes, and I am very deferentially to submit that, whatever the motive was which prompted Sir Julius Vogel to call on the Marquis of Salisbury, the effect of the message sent was naturally received by the recipient as an evidence of the Government's mistrust of this Company.

There was no hesitation on Captain Boyd's or our agents' part to make any and every necessary disbursement and arrangement for the comfort, health, and necessities of the emigrants; and when all the accounts are in I shall probably have to ask you to recoup all our advances for bedding, clothing, &c., and, possibly, of a part cost of maintaining.

The repairs of the ship were rapidly and substantially executed, and as they were approaching completion Captain Boyd was surprised to learn that the Consul-General, under further instructions from Sir Julius Vogel, proposed to send all the emigrants back to England by one of the Pacific Mail Company's steamboats. On this, instructions were sought by wire both from London and from my Directors here; and you will recollect that I consulted you, and you approved of the telegram my Directors sent instructing Captain Boyd, if the ship passed survey, to inform the Consul and give notice to every emigrant of his readiness to bring the people on to the colony.

Up to the receipt of the message referred to, the Consul-General had actually gone so far as to visit Ilbra Nogueira, and to intimate to the emigrants that he would send them back to England in spite of their desire to proceed to New Zealand, and that, if necessary, he would call in the aid of the soldiers of the province to enforce their obedience. Here, again, Captain Boyd's prudence and firmness was of great service. He explained to the people *our* duty to take them on; *their* right to elect whether they would go or not; and to resist any coercion contrary to their wishes. And, with but few exceptions, the people determined to and did resume their voyage to this country.

The "Piako" left Pernambuco again on the 29th December, and reached Lyttelton "all well" on the 5th day of March. Owing to the excellent and liberal arrangement made for the people, and the untiring care of Dr. Green, all the emigrants enjoyed good health while on the island, and so continued up to their arrival in Lyttelton.

A naval Court of Inquiry was held under the presidency of the Consul-General, prior to the ship leaving Pernambuco, and though the origin of the fire could not be accounted for, the result of the inquiry was honorable and gratifying in every respect to the officers of the vessel, who were complimented on their prudence, skill, and bravery.

I need not comment on the second inquiry held here on the ship's arrival. We were satisfied there were no new facts to be elicited and that there was no occasion for the proceedings, but no objection was offered to them.

I send you also extract from the *Lyttelton Times*, of the proceedings on board the ship on her arrival, in the perusal of which you may take interest.

The Directors were so satisfied with the conduct of their servants that they awarded to Captain Boyd one hundred guineas, and to every officer and man an extra month's pay.

I have, &c.,

H. SELWYN SMITH,

General Manager.

The Hon. the Minister for Immigration, Wellington.