A.--10.

It should also be remarked that at the present moment Great Britain could probably obtain possession of the Friendly and Fiji Islands with the almost universal consent and at the request of their inhabitants; but such an opportunity will soon cease to exist, and is not likely again to present itself. The inhabitants of the islands in the Pacific are daily increasing their supplies of arms and ammunition; they are constantly becoming more and more corrupted by the outcasts of European society, who take refuge in those islands, and who, together with their offspring, are gradually creating difficulties and complicated interests, the result of which will produce questions which will render the friendly cession of these islands in a few years impracticable, and the conquest of them a matter of

great expense and difficulty.

I would also observe that the occupation of them by Great Britain, under a judicious system, would not entail any additional expense upon the mother-country. If, from unforeseen circumstances, any partial disturbances arose in any one of these islands, a force of the natives of another island would instantly suppress them—and the men composing this force would be quite as amenable to discipline, and as free from ferocity and cruelty, as a European force—so that war would not, under such circumstances, present any additional horrors, nor would it entail any additional demands upon the military force of the mother-country. Indeed, I doubt if, under judicious management, anything more than partial and insignificant distributes would take place, and as must always arise in semibarbarous communities, but which would be infinitely less disastrous and general than their present

It certainly must be conceded that for a few years, until a sufficient revenue was raised, the cost of the civil government of these islands would entail some expense upon the British treasury; but in compensation a great extension would at once be given to British commerce, and a large and constantly-increasing demand would be created for British-manufactured goods, whilst in a very few years the several islands would yield an ample revenue to defray the expenses of their own government, and a wide field would be opened in civil appointments for the employment of young men, whose time is now wasted in hopeless and discontented idleness, but who, in the civilization and government of the inhabitants of the islands in the Pacific Ocean, would have presented to them an occupation of the most useful and interesting kind, the result of which would confer the greatest benefits upon the whole human race.

It only remains for me to add that the proximity of these islands to our possessions in Australia and New Zealand, and the altered state of British and French interests in these seas, render the question of their occupation more important and very different in kind from the similar question which arose some few years since in reference to the Sandwich Islands.

The Right Hon. Earl Gray, &c.

I have, &c., G. GREY.

Enclosure 1 in No. 1.

J. S. Polack, Esq., to the Colonial Secretary, New Zealand,

Consulate of the United States of America, New Zealand,

Auckland, 20th December, 1847.

SIR,-I have the honor to enclose the copy of a protest received this day, the original of which is in this office, made by three American shipmasters trading at the Fiji Group, and addressed to G. M. Williams, Esq., U.S., Commercial Agent at those islands, relative to the illegal conduct of a British subject named Charles Pickering, whose conduct (Mr. Williams states) has greatly conduced to foster the warlike feelings of the natives, and greatly injure the commerce of the islands.

Having been informed that Captain Maxwell, the Senior Naval Officer of this station, is about to right the Fiji Group. I have to receive that His Excellence the Governor will be pleased to direct the

visit the Fiji Group, I have to request that His Excellency the Governor will be pleased to direct the attention of that officer to the subject of this complaint.

I have, &c., J. S. Polack,

The Colonial Secretary, New Zealand.

U.S. Vice-Consul.

Sub-Enclosure to Enclosure 1 in No. 1.

From SHIPMASTERS at Fiji to G. M. WILLIAMS, Esq.

Nukulau, Fiji Islands, 16th September, 1847. SIR,---We, the undersigned, masters of American vessels now lying in the Port of Nukulau, take the

liberty to address you in the manner following, to wit: We, from our own experience, and from information received from many respectable white resi-

dents in these islands, hereby protest against a man, by name Charles Pickering, a subject of Great Britain, as a person dangerous alike to foreigners residing here, and also to masters of vessels visiting the islands.

He has resided here for many years, and by his perfect acquaintance with the language of the country, together with his natural duplicity of character, he has acquired great influence with the natives. This he uses to the injury of shipmasters, and for his own benefit.

He has also fomented disturbances among different tribes (of which matter, we are informed, report has been already made to you), and has indirectly, if not with malice prepense, been the cause of

the death of two white men within the last three years.

These, with many other charges against this man, which we believe can be fully substantiated by white residents, warrant us in pronouncing the said Pickering as a person dangerous to the property of these islands, to the residents, and to masters of vessels visiting for recruits.