

his own produce), he said it had been allowed for a year. As to charge No. 4 (shipping men for sea), he never heard anything previously about it from the natives. It was an old affair, at least a year before his expulsion. The men ran away in the "Little Agnes," and were really shipped by King John on board of her. No. 5 was settled long before his expulsion. No. 6: His offence was drinking three glasses of whiskey on board the "Little Agnes," and not on shore. The others were all old charges, some proved to be wrong, but all adjudicated upon and done with before his expulsion. As to the letters and Consulship, a parcel of letters was sent to him by Mr. Exham from Rarotonga for delivery. Among them were some for the Rev. Mr. Harris. He sent them to that gentleman, who considered that they ought, as heretofore, to have been sent to him by Mr. Exham direct. With all this he had nothing to do. It was the Consul's affair, not his.

Mr. Pearse then put in copies of accounts given by him to the remaining King and the Governors of Mangaia, being a claim for damages, and intended also as a protest and warning. They were given to the King and Governors during the time between the closing of the store and his expulsion. They are as follows:—

July 19.—Wages due to Mr. Foster	...	...	...	...	\$5.25
Delay and loss in building	...	...	...	...	5.25
" 26.—Damage for stoppage of business, eight days and a half,					
\$25 per day	...	...	...	...	212.50
Aug. 2.—Six days, ditto	...	...	...	...	150.00
" 9.—Six days, ditto	...	...	...	...	150.00
" 16.—Six days, ditto	...	...	...	...	150.00
" 23.—Six days, ditto	...	...	...	...	150.00
					\$823.00

being \$823 to the 23rd August.

Mr. Pearse said that the timber and material used in the unfinished house and store had cost him \$1,400. The labour was to be added.

Hereupon it was proposed to adjourn till next day; but Meringi Tangi rose and said that what they had spoken to-day was sufficient; they would not add to it nor come to-morrow. They did not want, nor would they have, any store in the island. Mr. Harris, who translated the above, put the last question formally to the natives, who were nearly unanimous on that point.

I urged the chiefs to think seriously and talk together over the position. The expulsion of a foreign resident was a very serious affair, and would be so regarded. They required to give very strong and convincing reasons to extenuate it, in even a small degree. For expelling Mr. Pearse they were liable to heavy fine, and also to pay for the damage done to Donald and Edenborough by closing the store so abruptly after it had been open eighteen months, as well as for injury to goods. I could not say what the fine or damages would be, but was informed both by Pearse and by Donald and Edenborough that if an amicable settlement were now made they would be satisfied by payment for only any actual loss on the goods they might be able to prove that they had sustained. Mr. Pearse considered himself also bound to claim a refund of the fines—said to be about \$700—levied on persons who had dealt with him. I should be glad if they could effect an amicable arrangement; but they must judge for themselves, and either do so or abide the result of my report to His Excellency the Governor of New Zealand.

At 4 p.m. the meeting broke up, the chiefs being still dogged in manner, and apparently resentful that they could not do as they liked in all things connected with their island.

Early on the following morning (Saturday, 6th December) a number of the chiefs desired to talk further over the matter, and I met them on the verandah of the mission-house at 9 a.m. They wished to know my own opinion, which I agreed to give on the various points, seriatim:—

1. *Expulsion of Pearse.*—This was a very grave offence, and in my opinion they were wrong, and ought to be punished. They at once admitted that they had done wrong, and acted without due consideration, whereupon Mr. Harris urged strongly the provocation that they had received from Pearse continuously, and which he considered should be taken into account in any fine that might be inflicted. Also, that they had been left since the hoisting of the flag (two years and a half) without advice or guidance.

2. I continued, that they had allowed the store to be open for eighteen months. In abruptly closing it they had done great injustice to the owners of the goods, Donald and Edenborough, who had not done them any wrong.

To this Gilli-iti replied that they had not interfered with Donald and Edenborough, whose store was open still at Ata's house. All they had done was to prohibit their own people from buying anywhere but at the Market-house. I replied that their power to do this was for the Governor of New Zealand to decide. All that they had said would be laid before him.

3. Why did they not at once make Pearse aware of their intention to stop his building when they saw him begin? Daniela said, "The reason was that we had already protested in vain against his building at Iverua. Then we remembered what Captain Bourke (of H.M.S. "Hyacinth") told us when hoisting the British flag, that our laws must be obeyed by all foreigners resident among us. Hence our action in this case. What else could we do?"

On being pressed to give my advice, I told them that it would be well to let bygones be bygones, and take advantage of the friendly feeling of Donald and Edenborough and Pearse, and come to an arrangement if a reasonable one could be made. As to confining trade to the Market-house, and allowing it only when a ship arrived, I was aware that this was an old law; but times had changed, and whether they had the power to enforce it now I could not say. The Governor of New Zealand would speak on that point, and my advice to them now was to arrange if they could for the settlement of present disputes, and let the store be reopened till the point about the Market-house was settled. At Aitutaki the chiefs had done this in Mr. Mason's case,