

King John's, determined to proceed with those who did attend. As soon as I did so they came streaming in from the places at which they had been waiting, and the meeting proved to be very full and very well attended.

I enclose a report of the proceedings (Enclosure No. 1). The chiefs quickly discovered that they had been misled, and the effect was electrical. A general rubbing of noses followed. Peace was declared, and there was to be no more quarrelling in Mangaia. In the end the crowd filed off before me, cordially shaking hands as they passed. Presents of Native food soon began to pour in. A good day's work had been done, and on the following Monday, 3rd August, another meeting was held to elect a Council, and to form a Committee to frame a code of laws.

I enclose a report of what was done at this meeting (Enclosure No. 2). The Committee at once set diligently to work, occupying a part of the large room in which I lived. They kept at it closely for eight or nine days, looking-up their old laws and comparing them with those of Rarotonga, of which I had brought a printed copy.

On the 12th, a fine large stone church, which they had been three years building, was opened with great rejoicings. The counted carcasses of 589 pigs of all sizes, and of two large bullocks, surmounted huge piles of cocoanuts, taro, yams, kumeras, and other native food arranged in proper order of precedence for distribution among the visitors and tribes. The British Resident came first, with a heap at which he looked with needless consternation, for it was soon seized and divided among those of his temporary household. More than eight hundred pigs must have been actually killed, the average value being probably, at least, £1 each. The display of wealth among the women and children consisted of ostrich feathers and artificial flowers, with which their hats were profusely decorated. Some of the ostrich feathers were costly—as much as \$14 being given for large ones—and the artificial flowers were very good; but it must be remembered that they make their own hats, and that their long, flowing dresses are of simple cotton print as a rule.

This feast was inevitable after their old customs, but will pinch them severely for the rest of the year. Meantime, nothing in the way of business could be done; and Your Excellency will observe that they plead its cost as one of the reasons why they should be allowed time for the payment of the damages awarded against them.

On the 17th August, the newly-elected Council—the first regular Council for all the Island—met at Oneroa, as reported in a separate despatch herewith. A Government was then formed. Its subsequent proceedings form part of the same separate despatch, as I propose herein to treat only of the troubles connected with Pearse's affair.

The damages to be paid under my award was discussed, first, informally, at one of their meetings. I told them that I could not take any part in such discussion, but Mr. Nicholas was empowered by Donald and Edenborough to do so on their behalf. I asked why they did not come to Rarotonga on my invitation, and there speak for themselves. They replied that they thought I should come to Mangaia. I reminded them that when at Mangaia in December last in the "Torea" the dominant party had blocked the road to Ivirua, and would not even allow a messenger to go to Vaipo, and ask the attendance of himself and people at the meeting then held. To have held another inquiry at Mangaia after that was impossible. They sought to explain this away by saying that Mr. Exham, the late Acting Consul, had warned them that they and not the Iviruanians would have to pay. Therefore, they considered that the Iviruanians had no right to be heard; but this is clearly one of the afterthoughts in which I have found that party extremely prolific.

As the result of the meeting, the Mission party—especially the great chief Ngariu, of Tamarua, the most powerful in the island, and whose people boast that they have never been conquered—absolutely refused to pay. They had no new objection to urge against the award, although I had very fully stated the grounds on which it was based. They had resolved not to pay, and would not do so, and had nothing more to say. The opposition party, though innocent of any share in Pearse's expulsion, and having suffered severely for their endeavours to protect him, acknowledged the justice of the award, and were willing to pay their share for peace sake. A second meeting was held, and, after much disputing, it was resolved that the Government, as a Government, should assume responsibility. Of the Government itself, six agreed to this; Ngariu and Kiriiti, the remaining two, still refused to pay. I enclose Executive minute of the 24th August informing me to this effect (Enclosure No. 3).

The "Torea" had arrived, and was to leave on the 25th. I did not feel justified in incurring additional expense by delaying her, and informed the Government that I should leave in her next day.

In the early morning of the 25th I received the enclosed letter from King John (Enclosure No. 4), telling me that all had now agreed except Ngariu, who still refused—that he was strong, and they did not wish any more trouble in the island. Would I undertake to help them in making Ngariu come to terms? If so, it would soon be ended. I at once replied (Enclosure No. 5), promising my full support to the Government. I may add that I verbally suggested their blocking the roads from Tamarua to prevent Ngariu or his people selling any of their produce, promising also to see that any bought by traders should be confiscated, if they prohibited their buying, till the award was paid.

At this stage, and on the point of departure, I was communicated with by Ngariu's native friends connected with the Mission party, but declined to interfere, referring them to the native Government, by whom the responsibility had been assumed. The Rev. Mr. Harris then took the matter in hand, and by 1 o'clock Ngariu's submission to the Government was received. A meeting was held in the schoolhouse, and \$288 were at once subscribed as a first instalment, the Rev. Mr. Harris and the European traders and others joining in the subscription as a mark of good-feeling towards those especially who, though blameless, had still to pay.

I enclose the letter from King John informing me of this final settlement (Enclosure No. 6). The Government propose to pay the whole amount within a reasonable time, and do not wish to use their annual subsidy of \$300 from the general revenue for this purpose. It will be retained till