

over the vessel, if they approved of her, and wanted the money, in that case, to pay it towards the \$4,000 she was to cost them. They produced the receipt that Harries had given to them. The receipt was in English, and, in a note at the foot, said, "This money is paid on schooner 'Norval'; the balance to be paid on arrival." The natives denied emphatically that this note had been explained to them, or that they had the least idea that it was to be understood as an acceptance on their part of the "Norval," which they had not seen, and about which they knew nothing.

Up to this point the transaction seems to have been regarded by Harries as "an order" for a vessel to be sold and delivered at a fixed price like any other commodity, and he appears to have taken the order in the usual course of business for the firm in whose employ he was at the time. This view is supported by his statement that on arrival in Rarotonga he "gave the money to Donald and Edenborough's agent there." The agent (Mr. Exham) also states in his letter to me of the 3rd October that the "Norval" was purchased for the Penrhyn people "by Mr. Donald on an order given to the master of the 'Torea.'"

At this stage a new incident is to be noted. The schooner "Te Uira" had been on a trading trip to Penrhyn. On board of her were two Penrhyn natives, who were very anxious that the Hau should at once buy her. Harries heard of this in Penrhyn, and that, in fact, these two men had actually bought her for the Hau. He states that he had heard of this when he received the money from the Hau. I asked if it was true. They answered that it was not true; that these two men could not buy the "Te Uira" for them; and that he (Harries) was the first whom they had asked to buy a vessel for them. The good faith of the Hau up to this point, at all events, does not, therefore, seem open to question. It is also fair to them to add that the purchase of the "Te Uira" offered no pecuniary inducement to them to evade the purchase of the "Norval." The "Te Uira" is much smaller, will certainly require great and constant care to keep her with any pretension to seaworthiness for even two or three years, and the price to be paid (and since actually paid by them for her) was \$3,500. She is an aged little craft, and never was meant to last for any time. The natives are aware of this; but she is fast and handy, and these are two qualities regarded by them always as indispensable.

The "Goldfinch," with the seven natives on board, left Penrhyn for Rarotonga, *via* Manihiki, on the 10th September. Soon after she left, the "Te Uira," with her two natives on board, arrived again at Penrhyn. She had left Rarotonga some time after the "Goldfinch," and informed the Hau that the "Norval" was not then in Rarotonga. Thereupon the Hau, deciding that Harries had deceived them, determined to have nothing to do with the "Norval," but to buy the "Te Uira" instead. Hence the letter from Tautaitini, which reached Rarotonga by the "Te Uira" on the 23rd September, the same day that the "Goldfinch," coming *via* Manihiki, also arrived, with the seven men on board, in Rarotonga.

Then came the application of the Hau to Judge Tepou, who decided that \$2,000 out of the money paid by Penrhyn to Harries should be returned, the Penrhyn Hau having agreed that the balance of \$1,603 should be retained to liquidate the debts due for provisions and goods supplied on or about the 7th September, to the value of \$1,567.90. The Hau demurred at first to paying these debts, which were, they said, incurred by individuals; but finally, in order to settle the dispute, agreed to pay, and recover the money from the debtors themselves. No evidence was brought before Judge Tepou by Harries to show that the "Norval" had been even actually bought, and his decision appears to be quite justified by the evidence as it then was before him.

An order was given by Tepou to Donald and Edenborough to pay back \$2,000, out of the \$3,603 in their hands, to the Hau of Penrhyn. Mr. Exham, the Rarotongan manager of the firm, was absent in Aitutaki, and the clerk in temporary charge said he knew nothing about the money, and could do nothing in the meanwhile.

Appeal was then made to me. I found that further evidence as to the purchase of the "Norval," and her movements, might probably be obtained from Mr. Edenborough, who was to arrive in a few days from Aitutaki. I therefore advised Judge Tepou that no further action should be taken till his arrival.

This was on the 29th September, and it was then, in my presence, that Harries put in as evidence the "agreement" between himself and "the Government of Mangarongaro," which is embodied in Tepou's report. This paper, purporting to have been made at Penrhyn on the 4th June, 1892, and there signed by the "Hau of Mangarongaro," was found to have been made out on board of the "Goldfinch" on her arrival at Rarotonga on the 23rd September, and there signed by "Panapa," one of the seven men on board, at Harries' request, and in ignorance of its true meaning, though in Maori. Panapa was told to sign "Na te Hau o Mangarongaro," and he wrote that at the foot of the paper accordingly. Judge Tepou expressed himself very strongly on this attempt to pass off a fictitious document as evidence before him, and I felt it my duty to speak equally strong on the occasion. I observe now that Mr. Harries, in the statement prepared for the expected visit of one of Her Majesty's ships in Penrhyn, makes no mention of any written agreement at all.

Mr. Edenborough gave evidence that the vessel had been bought, and might be any day in Rarotonga, as she was on the way. The Penrhyn natives waited till the 16th October, up to which time the "Norval" had not arrived. They left in the "Te Uira," for which they had in the meanwhile concluded the purchase for the Hau for \$3,500.

The "Norval" arrived on the 20th October, and left for Penrhyn on the 1st November, calling at Manihiki and Aitutaki on the way. She arrived off Penrhyn on the 3rd December, and next day was seized by the Hau and taken into the lagoon, to be held till the \$2,000 should be paid.

It is not within my province to express an opinion upon the precedent which such a seizure, and the forcible detention of Harries, would create, and how far it can be allowed. No appeal has been made to Judge Tepou by either side since the arrival of the "Norval," which put an entirely new aspect on the case, complicated by the action since taken by the Hau in Penrhyn.

Harries was regarded by the natives in the first case as the principal, and accepted the position, but other interests are now involved.