

Daniel (called by Craig) : Craig told me to go to the woman's house to look at the coffee. The woman went with me. Marked a bag with a chalk cross, and the wood above it in the same way. The woman showed me the bag to mark. Taakave Vaine told me afterwards that her husband had sold the coffee to the tea-shop.

Makianga (called by Craig) : Had no evidence to give.

Ngatama : The tea-shop bought no coffee at 10 cents, only at 15 cents. All the coffee that the tea-shop has bought from Taakave is 37 lb., amounting to \$5.55, in small quantities, from time to time, not in one lump.

Davie : I am a Judge, and was present when Taakave and the tea-shop people were tried and fined by Meringitangi for selling coffee secretly. Did not hear anything about stolen coffee. No charge of that sort was brought up by Craig, who was present, and who, with Ward, had laid the complaint against the tea-shop which led to the trial and the fine.

This ended the inquiry.

Enclosure No. 7.

PROCLAMATION.

WHEREAS on the 4th day of April, 1891, Proclamation was made by the Right Hon. the Earl of Onslow, Governor of New Zealand, that he had received the commands of Her Majesty the Queen to inform the Arikis and people of these islands that it had not been deemed necessary to incorporate them into Her Majesty's dominions, or to transfer the jurisdiction of the inhabitants generally from their native rulers to the British Crown, but that for the present at least British authority would retain the form of a Protectorate :

And whereas the Arikis and people were further informed in the said Proclamation that the undersigned Frederick Joseph Moss had been appointed by command of Her Majesty to be British Resident in the said islands, and that no new laws would be recognised unless countersigned by him, and that he was to give advice and assistance at all times to the Arikis and people :

And whereas these islands were at that time without union, public revenue, regular legislature, public administration, or public records, and the administration of justice was of the rudest and most unsatisfactory kind :

And whereas for the better government of the islands the Resident, as soon as possible after assuming office, counselled a Federation of the Cook Islands, with a Legislature and Government, which came into operation on the 5th day of June, 1891, whereby many evils were amended ; but the administration of justice has continued in a state so unsatisfactory that it became incumbent on the Resident urgently to advise measures for its improvement, of which advice the disregard has led to the present complications :

And whereas, having due regard to the ignorance in such matters of the Arikis and people, it was specially provided in the Constitution of the Federation that all laws should be made by the British Resident and the Parliament, and be so expressed, and not valid till approved by the said Resident :

And whereas the Arikis have in many cases persisted in nominating at their own pleasure the members of the Federal Parliament, instead of having them elected in accordance with the provision of the Federation, and the people holding their lands at will from the said Arikis have been compelled to acquiesce :

And whereas the said Arikis and the Parliament have, moreover, sought to appoint to positions of trust and power persons in whom the Resident has no confidence, and have thereby attempted to control the administration of the laws and the finance, and to evade the conditions on which the privileges of a more effective self-government were accorded to these islands, and the Resident has refused his assent to such appointments :

And whereas on the 26th August the estimates of expenditure for the year ending 30th June, 1898, were passed by the Parliament, and members have since returned to their homes in the various islands until only two were left to attend the last meeting of the Parliament, held on the 27th September, when it was finally resolved that the Appropriation Act, embodying the said estimates, should not pass (*vide* extracts from minutes attached) :

And whereas the Chief of the Federal Government, Makea, Ariki, was advised by me personally and in writing, on the 24th instant, to call together the Government of the Cook Islands, in order to consider the position, and devise means for resuming payments of public money which have ceased since 30th June, and the advice so given has not been accepted :

And whereas it has become necessary that action should not be longer delayed :

Be it known that I, Frederick Joseph Moss, British Resident, and representative of British authority in the Protectorate of the Cook Islands, have taken temporarily upon myself the responsibility of administering the expenditure in accordance with the said estimates hereto attached, and with the Act of 1892 provided for unauthorised expenditure in certain cases.

And I enjoin upon the Paymaster, Auditor, and bankers to take due heed of this Proclamation, and to make no payments save and except on vouchers duly certified by me, or by some person appointed by me, by public notification, to act on my behalf.

And I further declare that this Proclamation shall remain in force until the pleasure of Her Majesty the Queen may be made known.

Dated at the Residency, Rarotonga, this 29th day of September, in the year of our Lord one thousand eight hundred and ninety-seven.

FREDERICK J. MOSS.