(1.) *The Federal Court Bill.*—I have referred to this shortly in my report as to my first interview with Makea Ariki and other chiefs on my arrival at Rarotonga. It is certain that the non-existence of a Court presided over by a competent English Judge or Magistrate, with exclusive jurisdiction over all cases in which foreigners (meaning thereby others than natives) are parties, is a great evil. Grave criminal cases and civil cases in which a foreigner is to be affected, except, perhaps, very minor criminal cases, such as charges of drunkenness, and other matters involving no serious punishment or penalty, ought not to be disposed of by a native Judge. The natives and residents now admit this. At first, however, when Mr. Moss called attention to this—and continually till my arrival at Rarotonga—the natives suspected that the proposal was mainly intended to aggrandise the position of Mr. Moss, and, in proportion, to reduce the mana of the Arikis and their Courts, and the Judges thereof. Some foreigners also preferred that Rarotonga and the Cook Islands should be to them an Alsatia—at any rate, a place where, in cases of debt or breaches of contract, it was preferable to be dealt with by a lenient native Judge than a more severe English Magistrate. Some foreigners, too, I do not doubt, were averse to trusting themselves and their causes to the jurisdiction of a British Resident as President, and in substance sole Judge of the Court, if that meant Mr. Moss.

In 1896 Campbell, an American negro, had committed what is described as a "murderous assault" on a native woman in one of the islands. This offence was one against the local law only; no Federal law had made such acts penal; and the charge, according to the existing law, came on for trial before a local Court presided over by a local native Judge. The penalty was apparently a money payment. Accordingly, a pecuniary penalty was imposed by the local Court upon Campbell, though the offence charged was so serious. Curiously enough, an objection to this mode of dealing with the offender seems to have emanated from his creditors. However, reference to this matter is made in the *Torea* of the 18th August, 1896, herewith (marked 18 in red). Mr. Moss seems to have come to the conclusion then to promote in the Federal Parliament a Bill providing that such acts should be penal, and providing for the procedure with regard to murders and murderous assaults—by giving the local Court power to deal with such cases by committal for trial to the Federal or Supreme Court. The law was passed in 1896, but it was confined to murders and murderous assaults. But the Federal Supreme Court is a Court with a native Judge. Though there is nothing in the Act of 1891 constituting the Court which limits the persons to be appointed, the Judge might either be a native or European. It is also to be noted that in any case "between foreigners" either party could claim to have the case tried in the Federal Court. At the time when attention was being drawn to this case a Deputy Commissioner under the High Commissioner of the Pacific was present at Rarotonga to dispose of some cases that had occurred in some of the Pacific Islands (other than the Cook Islands), and within the High Commissioner's jurisdiction. The Deputy Commissioner was sitting at Rarotonga because it was more convenient to the parties and to himself than to go to the islands where the causes of dispute arose. It seems to have been suggested at this time (see the newspaper above mentioned) that it would have been better for the Native Court not to have fined Campbell, but to have left him to be dealt with by the High Commissioner or his Deputy. But probably, upon further inquiry or discussion, it appeared that such course could not have been taken. By arrangement, approved of by the New Zealand Government and the Colonial Office, the Cook Islands were not, and still are not, subject to the jurisdiction of the High Commissioner. In 1897 the Secretary of State, by despatch, referring to Campbell's case, called the attention of the Administrator of the Government of New Zealand to the need for the establishment in the Cook Islands of a Court presided over by the British Resident for the trial of a serious civil and criminal case in which a "white" man should be a party. It appears that the Secretary of State's attention had been called to the matter by the High Commissioner. On the receipt of the Secretary of State's despatch a despatch was (8th July, 1897) accordingly sent to Mr. Moss asking his opinion about the matter. By his reply it appeared that he had already (9th July), before the receipt of the Administrator's despatch, prepared a Bill, and caused it to be brought before the Federal Parliament, dealing with this matter. The Bill, and a proposed amendment, and a petition to the Parliament against it from Dr. Craig, Mr. Kohn, and others, are herewith (marked respectively 6 and 9 in red).

It appears that Mr. Moss did not communicate to the Arikis or the Parliament or the public of the Cook Islands that the Secretary of State was urging that such a measure should be passed. Had he done so the feeling against the measure might have been so far modified that it would have appeared to be not against the measure, except so far as by its provisions Mr. Moss would, as British Resident, be President and sole Judge, with power to appoint a Registrar and solicitors. I gathered that there existed a suspicion that Mr. Moss intended to appoint a relative of his as Registrar, or, at any rate, as a solicitor, and that the people did not think well of that relative. Whatever caused the feeling, the Bill was rejected. But it is not to be supposed that the promotion by Mr. Moss of this measure was the origin of the feeling against him amongst natives and others. That feeling already existed. The rejection of the measure was the existing feeling of distrust. The promotion of the Bill was not the cause of the feeling, though it probably tended to confirm that already existing feeling. I gathered from Mr. Moss that he attributed the distrust in him by Makea to the fact that he had earlier in the year taken the chair at a public meeting of European residents called to promote the establishment of municipal government in the principal settlement of Rarotonga, and that some persons—he could not say who—had represented to Makea that this was an attempt to reduce her mana. At any rate, she opposed the proposal, though Mr. Moss attempted to disabuse her mind that he had any such intention as she supposed. It appears from what Mr. Moss informed me, though he took the chair at the first meeting, he studiously refrained from taking any further part in the movement for municipal government, thinking that he ought thenceforth to remain neutral, so as to be able to impartially advise the Arikis and the Parliament when the measure should come up for considera-