I.—The Islands generally: Mr. Sterndale.

Their lagoon abounds with bêche-de-mer of good quality. Very large and fine pearl oysters exist in it, but as yet they have not been found in payable quantity. They are procured by the natives, with extreme labour, from great depths, only for their own domestic uses—that is, for dishes, the making of spoons, scrapers, and fish-hooks, and for the spools on which they weave their fishing-nets. The natives say that this oyster lies in great quantity on the outer edge of their reef, under the surf. Whether its production could be artificially encouraged within the lagoon, I am unable to say. Scattered among the cocoanut groves upon these islets are many Tomano trees of enormous size; they run from 6 feet to 12 feet in diameter, though I have measured one of more than 20 feet, and about 200 feet high. The wood is like Spanish mahogany, very valuable for shipbuilding, as also for ornamental work. It has long been an article of trade in the Pacific, being chiefly purchased by the merchants of California. From the seeds (which are of the size of a billiard-ball) is extracted a very fine green oil, known in the Indian seas as *woondel*. It is used for many purposes, but is principally famous for its medicinal properties, and is said to have realized in Europe prices approaching to £100 per ton. From the stem exudes an odorous gum, used by the Polynesians as a perfume. On the islands where they manufacture the oil, they commonly barter it for articles of trade, to the value of one dollar per gallon.

Upon these coral *cays*, as upon most others of similar formation, are extensive thickets of Pandanus, or the screw-palm tree, which supplies to the natives not only an important article of food, but material for their clothing, and will no doubt before long become extensively utilized in the manufacture of paper and other industries, to which its leaves and beautiful tenacious fibres are adapted. I have been inclined for some years past to regard the investigation of this question as destined to exercise, sooner or later, a very important influence upon the trade of the Pacific Isles.

Beside the Tomano wood which I have mentioned, there are other kinds of valuable timber upon this and the neighbouring islands. They include *Milo* and *Tainu* woods, of fine grain and great durability, especially adapted for the timbers of boats and small vessels; also a species called *To*, which attains great size, and is highly prized by such European carpenters as are acquainted with it, for the making of cabinetwork and ornamental furniture; and the *Nangiia*, which I have elsewhere described as being of such intense hardness, and as having been successfully experimented upon by colonial engravers.

To the south-east of this island (about forty miles distant) is another about three miles in length. It has deep water all round, and has no lagoon, but a secure landing on the lee side, and no outlying dangers. It is marked on charts as Nassau, but is known to the natives of the neighbouring isles as Motungongau. It is uninhabited, and covered with valuable timber. It has wells of fresh water, and some cocoanut trees planted by visitors within the last ten years. Turtle resort to it in extraordinary numbers. In the year 1870 a small colony of Manihiki and Samoa natives was established here by the agents of Messrs. Godeffroy; but, the Franco-German war having curtailed their operations, and compelled them to lay up or dispose of their vessels on the Samoan station, they neglected to visit these people, who, becoming weary of their lonely life after about two years, took the opportunity of a passing vessel to quit their solitary abode. They had planted cotton, which has now run wild all over the place. The soil being very rich, this island might be made a valuable property. The area of good land is probably about 2,000 acres. It is entirely deserted, and may be taken up by any one who chooses to occupy it.

Eastward of San Bernardo about 400 miles are the two atolls of Manihiki, or Humphrey's Island (about thirty miles in circumference), and Kakahanga, or the Grand Duke Alexander (about twenty miles in circuit); they are thirty miles apart: the latter is the Gente Hermosa of Quiros. These are lagoon islands, and are very valuable from the great extent of their cocoanut groves, the like of which, for density and productiveness, are scarcely to be seen in the world (meaning, of course, trees which do not owe their luxuriance to cultivation). The interior lagoon of Manihiki is about six miles in diameter, and contains a vast deposit of pearl shell of the best quality; pearls, also, are very plentiful in them, and of considerable size. This lagoon has never been systematically fished for more than fourteen years. Upon that occasion (the first and last), Messrs. Hort Brothers, of Tahiti, established an agent upon the island, with two boats' crews of Paumotu divers, and by their means obtained from it over 100 tons of shell in less than eighteen months. These strangers established themselves upon the fishery by force of arms, and after their departure it was no more prosecuted, for the same reason which had necessitated their employment—that is to say, the incapacity of the Manihikians to perform the work. This is so, because they subsist in a great measure upon the *Paahua*, or *Tridachna*, a sort of clam, which is obtained by diving in shallow water. According to their custom, it is the duty of the women to procure these shell-fish, the occupation of the men being the gathering of cocoanuts, and fishing with lines and nets in the deep sea, outside the coral reefs. The lagoon, therefore, is the domain of the women, who alone are skilled in diving. When the pearl-shell traffic had been introduced to their notice by the intrusion of the Paumotans, the Manihikians would have continued it by the labour of their women, but they, finding it as much to their profit and more to their comfort to manufacture cocoanut oil, rejected the task. Their numbers, too, were very speedily reduced, by the extensive traffic in women, which sprang up. These people, the females especially, are remarkably good-looking, being of a light complexion, fine figure, and handsome countenance. It was from this cause that they were named by the Spaniards, more than two hundred years ago, "*Gente Hermosa*." So it followed that Tahitians, Peruvians, and other strolling mariners who chanced to visit them, bought, enticed, or kidnapped them, until they became scarce upon their own land. For the last fifteen years, Manihiki women have been in great request among the Europeans in all the chief trading ports of the Pacific Isles, not only for their good looks, but for the remarkable ability they display in acquiring European customs and domestic habits. Thus they are greedily sought after as house servants and concubines. Very high prices (passage-money so called) have been usually paid to obtain them, and still the demand continues.