Enclosure No. 3.

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SIR,-British Residency, Rarotonga, 2nd August, 1893.

I have the honour to acknowledge the receipt of your letter of this day's date.

I am desired by the Ariki Makea, chief of the Federal Government of these islands, to state that she recognises the unexpected difficulties which have arisen in connection with the "Norval" case, and, under the circumstances, consents to your holding your Court as requested. The Ariki gladly

places the Parliament House at your disposal for the purpose.

With reference to jurisdiction, the Ariki is quite willing to recognise it as concurrent with that of the Cook Islands and local Courts in this case, but desires to add that the recognition is not to be regarded as a precedent, or an admission on her part that the Order in Council of 15th March, 1893, includes the Cook Islands among places within the jurisdiction of His Excellency the High Commissioner. In this the Ariki is moved by the consideration that, if British subjects are to be exempted from the authority of the Cook Islands Courts, the like exemption will be claimed by the subjects of other Governments, and the authority of the Courts of the Federation be destroyed.

I have, &c.,

Frederick J. Moss, British Resident.

No. 2.

Mr. F. J. Moss to His Excellency the GOVERNOR.

(No. 13.) My Lord,

British Residency, Rarotonga, 6th August, 1893.

By the "Richmond," from Tahiti, Mr. Ross has received the report of the finding of the Naval Court at Penrhyn, in the "Norval" case, and has allowed me to make the enclosed copy for your Excellency's information. I have, &c.,

His Excellency the Earl of Glasgow, G.C.M.G., &c.

Frederick J. Moss.

Enclosure.

The Case of the Schooner "Norval."

In this case Mr. Thomas Harris, master of the schooner "Norval," and acting for Messrs. Donald and Edenborough, claims damages from the Government of Omaka. Firstly, because after the said Government had commissioned Mr. Thomas Harris to buy the schooner "Norval" they refused to take the schooner from him, or pay him for the same, after she had been sent from Auckland to Penrhyn in accordance with the commission given him. For this he claims \$1,000, Chili coin. Secondly, because the said schooner and her master and crew was unlawfully detained at Omaka, from the 5th December, 1892, to the date of the trial of this case. For this he claims \$400 per month demurrage, amounting for the six and three-quarter months to \$2,700, Chili coin.

Sitting in the Courthouse at Omaka, on the 27th and 28th June, 1893, with Lieutenant Harry H. Stillman and Mr. Francis B. Pritchard, paymaster, as assessors, I most fully investigated this

case and I find-

1. That Mr. Harris was duly commissioned by the Government of Omaka to buy them a schooner, and that the arrangements made by him and his principals, Messrs. Donald and Edenborough, were just and honourable, and that there was no good or sufficient cause which would justify the Government in repudiating the purchase made on their behalf.

2. That the schooner "Norval" together with her master and crew are and have been unlaw-

fully detained by the Government of Omaka since December 5th, 1892. Also, that said Government is therefore liable to pay all expenses for the period extending from 5th December, 1892,

to the date of her release.

I therefore direct, either that the Government of Omaka pay to Messrs. Donald and Edenborough, as damages for the repudiation of their purchase and for the expenses incurred in conveying the "Norval" to Penrhyn, the sum of \$800 Chili coin, and for the unlawful detention of the schooner, six and three-quarter months, \$2,700 Chili coin: a total sum of \$3,500 Chili coin; and that the schooner "Norval" be at once released. Or that, in case the schooner is now accepted by the Government, and they pay in addition to the price of \$4,000 Chili coin originally agreed to, the sum of \$2,000 Chili money to meet the cost of wages and provisions of the master and crew during their illegal detention. For in the first case, in accordance with the statements of accounts appended, the Government of Omaka will have to pay to Messrs. Donald and Edenborough \$1,445.90, Chili coin; and in the second case, \$3,945.90, Chili coin.

H. J. MAY. Captain, H.M.S. "Hyacinth."

No. 3.

Mr. F. J. Moss to His Excellency the Governor.

(No. 16.) My LORD,

British Residency, Rarotonga, 5th September, 1893. I have the honour to report to your Excellency that H.M.S. "Ringdove" left Rarotonga on 19th August, having been detained for twenty-five days in connection with the necessarily pro-

tracted proceedings of the Judicial Commissioner, Mr. Ross, to which I have referred in another despatch.

I enclose a copy of a letter written by me to Lieutenant Commander Bain on his departure, covering letters of thanks from the Ariki Makea, and from Judge Tepou to Dr. Andrews, who had been indefatigable in his attendance on the sick, and performed many operations among them.